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EXAMINING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ITS FAILED OVERSIGHT OF TAXPAYER DOLLARS

HEARING

BEFORE THE

SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

COMMITTEE ON EDUCATION AND THE WORKFORCE

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 28, 2017

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EXAMINING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ITS FAILED OVERSIGHT OF TAXPAYER DOLLARS

Tuesday, March 28, 2017
U.S. House of Representatives
Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Development
Washington, D.C.

The subcommittee met, pursuant to call, at 10:07 a.m., in Room 2175, Rayburn House Office Building, Hon. Brett Guthrie [chairman of the subcommittee] presiding.

Present: Representatives Guthrie, Thompson, Messer, Grothman, Allen, Lewis, Mitchell, Smucker, Davis, Courtney, Adams, DeSaulnier, Krishnamoorthi, Polis, Sablan, Takano, Blunt Rochester, and Espaillat.

Also Present: Representatives Foxx, Scott, and Rooney.

Staff Present: Courtney Butcher, Director of Member Services and Coalitions; James Forester, Professional Staff Member; Tyler Hernandez, Deputy Communications Director; Amy Raaf Jones, Director of Education and Human Resources Policy; Nancy Locke, Chief Clerk; Dominique McKay, Deputy Press Secretary; James Mullen, Director of Information Technology; Brian Newell, Communications Director; Krisann Pearce, General Counsel; Alex Ricci, Legislative Assistant; Mandy Schaumburg, Education Deputy Director and Senior Counsel; Alissa Strawcutter, Deputy Clerk; Tylease Alli, Minority Clerk/Intern and Fellow Coordinator; Austin Barbera, Minority Press Assistant; Jacque Chevalier, Minority Deputy Education Policy Director; Denise Forte, Minority Staff Director; Mishawn Freeman, Minority Staff Assistant; Carolyn Hughes, Minority Senior Labor Policy Advisor; Alexander Payne, Minority Education Policy Advisor; and Veronique Pluviose, Minority Civil Rights Counsel.

Chairman GUTHRIE. Good morning. A quorum being present the Subcommittee on Higher Education and Workplace Development will come to order.

Good morning and welcome to today's hearing on the Corporation for National and Community Service. One of the most important responsibilities given to Congress by the Constitution is oversight of the Federal bureaucracy. As members of this committee, we share in that responsibility by conducting oversight of the depart-

ments, agencies, commissions, and government corporations at our jurisdiction.

It is our duty to hold the executive branch accountable for both the way it administers the law and how it spends taxpayer dollars and that is why we are here today, to hold the Corporation for National and Community Service accountable.

Commonly known as CNCS, the corporation is an independent Federal agency created in 1993 to oversee a range of community service programs and grants, including AmeriCorps and SeniorCorps programs.

Today it receives more than $1 billion a year to support 11 different initiatives and issues $750 million in grants annually. In fact, at any given time, CNCS is responsible for overseeing more than 2,000 active grants ranging in size from $40,000 to $10 million.

That is a significant amount of money, making the corporation's oversight of those funds significantly important. CNCS has a responsibility to ensure taxpayer dollars are being spent in full compliance with the law. However, time and time again, the corporation has fallen short of the goal.

Just last year, the subcommittee held a hearing after learning about a particularly egregious misuse of taxpayer dollars under the corporation's watch. As the corporation's inspector general reported, one AmeriCorps grantee allowed members to participate in illegal activity by providing support services during abortion procedures, all the while continuing to receive taxpayer funds. Incidents like this are simply unacceptable.

CNCS has a history of failing to prevent the unlawful use of taxpayer dollars. According to the corporation's own inspector general, AmeriCorps may have misspent at least $14.5 million in 2015. I say "at least" because the information used to determine the extent of that misspending was not statistically valid, complete, or accurate. The actual amount may have been even higher.

Due to poor planning, CNCS could not even determine the amount misspent in 2016. Additionally, it is estimated that SeniorCorps programs misspent $47 million in 2016. Let me repeat that, 47 million. That's 30 percent of SeniorCorps' total spending.

Of course, while misspending is a serious problem, the corporation's oversight failures extend beyond funding. Under Federal law, CNCS grantees are required to perform criminal history checks on their participants and staff to ensure that safety of the individuals and communities they serve. However, the corporation's chief risk officer found that an alarming number of grantees failed to properly do so last year. In fact, 40 percent of the participants or staff in the senior companion program and 41 percent in the retired and senior volunteer program did not undergo the required background checks.

These are just two examples, but the percentages are shocking. We are talking about individuals who are working closely with our seniors and some of the most vulnerable members of our local communities, yet we know nothing or very little about their background or criminal histories. That is just not an issue of mismanaged or misspent money. It is an issue of safety and security.

It is clear CNCS is not fulfilling its responsibilities to ensure taxpayer dollars are spent in accordance with the law. We the members of the committee have the responsibility to demand better.

We are joined today by several individuals who are very familiar with the corporation's shortcomings. I would like to thank you all for being here today and I look forward to discussing the changes that must be made at CNCS. We have quite a bit of ground to cover, so I will now recognize Ranking Member Davis for opening remarks.

[The statement of Chairman Guthrie follows:]

Prepared Statement of Hon. Brett Guthrie, Chairman, Subcommittee on Higher Education and Workforce Development

One of the most important responsibilities given to Congress by the Constitution is oversight of the federal bureaucracy. As members of this committee, we share in that responsibility by conducting oversight of the departments, agencies, commissions, and government corporations in our jurisdiction. It is our duty to hold the executive branch accountable both for the way it administers the law and how it spends taxpayer dollars. And that's why we are here today—to hold the Corporation for National and Community Service accountable.

Commonly known as CNCS, the corporation is an independent federal agency, created in 1993 to oversee a range of federal community service programs and grants, including AmeriCorps and SeniorCorps programs. Today, it receives more than $1 billion dollars a year to support 11 different initiatives and issues $750 million in grants annually. In fact, at any given time, CNCS is responsible for overseeing more than 2,000 active grants—ranging in size from $40,000 to $10 million.

That's a significant amount of money, making the corporation's oversight of those funds significantly important. CNCS has a responsibility to ensure taxpayer dollars are being spent in full compliance with the law. However, time and time again, the corporation has fallen short of that goal.

Just last year, this subcommittee held a hearing after learning about a particularly egregious misuse of taxpayer dollars under the corporation's watch. As the corporation's Inspector General reported, one AmeriCorps grantee allowed members to participate in illegal activity by providing support services during abortion procedures—all while continuing to receive taxpayer funds. Incidents like this one are simply unacceptable.

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Of course, while misspending is a serious problem, the corporation's oversight failures extend beyond funding.

Under federal law, CNCS grantees are required to perform criminal history checks on their participants and staff to ensure the safety of the individuals and communities they serve. However, the corporation's Chief Risk Officer found that an alarming number of grantees failed to properly do so last year. In fact, 40 percent of participants or staff in the Senior Companion Program and 41 percent in the Retired and Senior Volunteer Program didn't undergo the required background checks. These are just two examples, but the percentages are shocking. We are talking about individuals who are working closely with our seniors and some of the most vulnerable members of our local communities. Yet, we know nothing or very little about their background or criminal histories. That's not just an issue of mismanaged or misspent money. It's an issue of safety and security.

It is clear CNCS is not fulfilling its responsibilities to ensure taxpayer dollars are spent in accordance with the law. We, the members of this committee, have a responsibility to demand better.

Mrs. DAVIS. Thank you very much. Good morning, thank you, Chairman Guthrie. I also want to very warmly thank our witnesses for being here and providing your experience and expertise.

Last year, 325,000 Americans, serving through AmeriCorps and SeniorCorps invested 155 million hours of service to their communities at more than 50,000 locations across the Nation. The majority called this hearing today because of 10 total service hours performed by 6 AmeriCorps members. That is 10 hours out of 155 million hours of service performed last year. CNCS funding last year was $1.01 billion, which means taxpayers gave CNCS $6.51 per hour of service performed. So the majority is holding a hearing because they do believe that this $65.10 was mismanaged. It is also important to remember the President's budget as the backdrop to the conversation that we are having today. President Trump's Skinny Budget would completely do away with the funding for the Corporation for National and Community Service.

Mr. Chairman, I ask unanimous consent to enter into the record this letter signed by 65 current and former Republican officials expressing strong support for funding CNCS in this year's appropriations bill. And I want to point out that this list includes Republicans, like Mississippi Governor Haley Barbour, former Congressman Chris Gibson and Ron Kauffman, who served as President George H.W. Bush's political director.

Since its founding, CNCS has engaged millions of volunteers in national and community service. These volunteers have taught students, they have been mentors, helped local communities recover from national disasters, and helped our Nation's veterans adjust to civilian life. Beyond that, CNCS has taught generations of Americans about the importance of national service.

National service is the only way to ensure and inform empathic citizenry and a healthy Nation and that is exactly what these volunteers do. In fact, the local partnerships that CNCS supports are so successful that they leverage 15 private dollars for every 10 Federal dollars that we invest.

Such success means that CNCS and its members are there during the times America needs them most. During the Flint water crisis, for example, CNCS deployed an AmeriCorps team to Flint, Michigan, to support State and local efforts to protect the public health of residents facing challenges from increased lead levels in the Flint water supply.

When hurricane Katrina devastated the South, CNCS deployed an AmeriCorps team to the region. When tornadoes wreaked havoc in Oklahoma, AmeriCorps volunteers were there. In my own district, AmeriCorps VISTA members collaborate with veterans' service providers to create the most comprehensive and seamless transition process for all military members and veterans.

They connect veterans and military families to housing, financial literacy, and employment resources throughout our district. The Edward M. Kennedy Serve America Act signed into law by President Obama in 2009 reauthorized and expanded the national service programs administered by CNCS. Passed with strong bipartisan support, the Act showed how much America values national service by expanding service programs so over 4 million Americans could engage in results-driven service each year.

With regard to last year's AmeriCorps incident, CNCS discovered and resolved these issues with deliberate action. I'm sorry, but I can't help but think that if what happened was related to anything other than women's health services, CNCS would not be called in front of us here today for the second time and about the same incident.

So as we proceed with this hearing, I hope that we remain focused on the vital importance of service to our Nation. I have had many conversations with my colleagues across the aisle who agreed that service is a crucial part of engaging Americans and their communities.

CNCS gives us the vehicle to invest in our national service infrastructure and we have a great deal to learn about the way that they have done that.

While we should value and uphold oversight and enforcement, we must also remember that CNCS engages over a million volunteers who assist local communities across America, communities represented on both sides of the aisle.

I look forward to hearing more about how we can improve and strengthen national service programs that are so important to our Nation's success. Thank you, Mr. Chairman.

[The statement of Mrs. Davis follows:]

Prepared Statement of Hon. Susan A. Davis, Ranking Member, Subcommittee on Higher Education and Workforce Development

Good morning and thank you, Chairman Guthrie. I would also like to thank our witnesses for being here.

Last year, 325,000 Americans serving through AmeriCorps and Senior Corps invested 155 million hours of service to their communities at more than 50,000 locations across the nation. The Majority called this hearing today because of ten total service hours performed by six AmeriCorps members. That's 10 hours out of the 155 million hours of service performed last year. CNCS funding last year was $1.01 billion, which means taxpayers gave CNCS $6.51 per hour of service performed. So, the Majority is holding a hearing because THEY believe $65.10 was mismanaged.

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Such success means CNCS and its members are there during the times Americans are most in need:

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I look forward to hearing more about how we can improve and strengthen national service programs that are so important to our nation's success.

Thank you.

Chairman GUTHRIE. Thank you and before moving on, I just want to clarify the hearing is about $750 million that has been—CNCS, the oversight of that, that is spent by CNCS or granted by CNCS.

So pursuant to the Committee Rule 7(c), all members will be permitted to submit written statements to be included in the permanent hearing record, and without objection the hearing record will remain open for 14 days to allow such statements and other extraneous material referenced during the hearing to be submitted for the official hearing record.

I will now turn to the introduction of our distinguished witnesses. Ms. Alison Bawden, is that correct? Ms. Bawden serves as the acting director of Education, Workforce, and Income Security Team for the General Accountability Office. Ms. Lori Giblin serves as the chief risk officer for the Corporation for National and Community Service.

Ms. Elizabeth Darling is the president and CEO of the OneStar Foundation and previously served as the chief operating officer for the Corporation of National and Community Service.

And the Honorable Deborah Jeffrey is the inspector general for the Corporation for National and Community Service.

I will now ask the witnesses to raise your right hand. Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

[Witnesses sworn.]

Chairman GUTHRIE. Let the record reflect the witnesses answered in the affirmative.

And before I recognize you to provide your testimony, let me briefly explain our lighting system. You each have 5 minutes to present your testimony. When you begin, the light in front of you will turn green. When 1 minute is left, the light will turn yellow. When your time has expired, the light will turn red. At that point, I will ask you to wrap up your remarks as best as you are able.

Members will each have 5 minutes to ask questions following the testimony.

So now, Ms. Bawden, I will recognize you for 5 minutes for your testimony.

TESTIMONY OF ALLISON BAWDEN, ACTING DIRECTOR OF EDUCATION, WORKFORCE, AND INCOME SECURITY, GOVERNMENT ACCOUNTABILITY OFFICE

Ms. BAWDEN. Chairman Guthrie, Ranking Member Davis, and members of the subcommittee, thank you for inviting me to discuss GAO's recently completed work on grant monitoring by the Corporation for National Community Service. My remarks today highlight key findings and recommendations from that work with respect to, first, whether the corporation's current process for monitoring grants aligns with standards for identifying, analyzing, and responding to risk; and second, whether the corporation has the capacity necessary to monitor its grantees' compliance with program requirements. In fiscal year 2015, the corporation had over 2,000 active grants totaling about $750 million.

As such, the corporation is administering and monitoring a significant Federal investment. Bottom line, it is essential for the corporation to have a full understanding of the potential risks of the grants and awards and to align its monitoring efforts to mitigate the most significant risks. Currently, the corporation annually assesses grants that it expects to be active in the next fiscal year. Up to 19 indicators are assessed for each grant and scores for each indicator are weighted to result in a total.

This total places each grant into a high, medium, or low priority category for grant monitoring activities. These activities mainly consist of visits and desk reviews, among other things, to assure compliance with fiscal and program requirements.

First, we found that the corporation's current process for grant monitoring is not fully aligned with the federal standards for internal control that describe how agencies should identify, analyze, and respond to risk. We recommended actions the corporation should take to better consider risk when prioritizing grants for monitoring, including these three.

One, the corporation should establish and implement a policy to ensure that all grants expected to be active during the next fiscal year are, in fact, assessed for potential risk. We found that some grants, particularly new ones, may be omitted from the assessment process in the year they are first awarded because the reward was made after the process was complete. One program officer told us that monitoring new grants in their first year can help avoid future problems.

Two, the corporation should improve its collection of information used to oversee subrecipients, especially with respect to their conduct of required criminal history checks. Sub-recipients receive pass-through funds from the corporation's grantees and the corporation is required to monitor how its grantees oversee those subrecipients. We found that the corporation has limited standard monitoring requirements for subrecipient oversight and that the subrecipient information collected by grantees may cover only a small portion of criminal history check activities.

And three, the corporation should revise its assessment indicators to meaningfully cover all identifiable risks and revise their scoring so that the riskiest grants get the highest scores. We found that the indicators may not address all potential risks such as fraud and that the highest scoring indicator may not measure grant risk.

The corporation has taken some steps to improve how its assessment and monitoring processes consider risk. For example, it established the Office of the Chief Risk Officer, which has begun to benchmark assessment indicators against those of other Federal grant-making agencies and programs. However, improvement efforts are in their early stages and do not address the full scope of our findings.

As a result, we made the recommendations I discussed to help guide the corporation's efforts as it moves forward. The corporation did not comment on them.

Second, with respect to strategic workforce planning, we found that the corporation has not determined whether it has the people and resources to effectively monitor grantees' compliance with program requirements.

The corporation's efforts to address vacancies have been largely ad hoc, including for senior-level grant-monitoring positions, and we found that vacancies did affect the number of grant-monitoring activities conducted in fiscal year 2015.

The corporation also has not evaluated whether staff have been deployed where they are most needed.

Officials said they had not developed a strategic workforce planning process because of limited resources. We concluded that the corporation's efforts to address workforce challenges may continue to be ad hoc without such planning and recommended that it be conducted. The corporation also did not comment on this finding or recommendation.

In closing, thank you for your time today. I would be pleased to respond to any questions you may have.

[The statement of Ms. Bawden follows:]

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Higher Education and Workforce Development, Committee on Education and the Workforce, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. ET
Tuesday, March 28, 2017

GRANTS MANAGEMENT

Corporation for National and Community Service's Grant Monitoring Process Could Be Improved

Statement of Allison Bawden, Acting Director, Education, Workforce, and Income Security

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee:

Thank you for the opportunity to join you today as you examine issues related to grant monitoring by the Corporation for National and Community Service (CNCS). Created in 1993, CNCS administers a variety of volunteer and national service programs for needs ranging from disaster recovery to improving education.[1] CNCS administered grants totaling about $750 million in fiscal year 2015 to support national service and reported that nearly 350,000 Americans participated in its major grant programs that year (see app. I for additional data by state for fiscal year 2016).[2] CNCS is the nation's largest federal grantmaker for service and volunteering, and the agency's mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering.

My testimony today summarizes findings from our report entitled *Grants Management: Monitoring Efforts by Corporation for National and Community Service Could Be Improved*.[3] My testimony, like the report, addresses: (1) CNCS's process for grant monitoring; (2) the extent to which CNCS's process for grant monitoring aligns with relevant internal controls for identifying, analyzing and responding to risk; and (3) the extent to which CNCS has the capacity necessary to monitor grantees' compliance with grant program requirements.

To conduct this work, we reviewed agency documents for fiscal years 2015 and 2016 and analyzed fiscal year 2015 assessment and monitoring data (the most recent complete year of data available at the time of our review). We reviewed the internal control principles in the Standards for Internal Control in the Federal Government and selected those we determined to be most relevant to conducting assessment and monitoring activities: principles on risk assessment, control activities, and monitoring. We compared CNCS's current processes—as documented in policies,

[1] National and Community Service Trust Act of 1993, Pub. L. No. 103-82, § 202(a), 107 Stat. 785, 873.

[2] CNCS's major grant programs are AmeriCorps State and National, Senior Corps, Volunteers in Service to America (VISTA) and Social Innovation Fund.

[3] GAO-17-90 (Washington, D.C.: Mar. 21, 2017).

procedures, and plans—against these principles.[4] We also interviewed agency officials and a nongeneralizable sample of 11 program and grant officers who had experience with grants with negative outcomes, such as greater-than-expected monitoring needs or audit findings. Lastly, we held discussion groups with a nongeneralizable sample of 27 grantees attending two 2016 training conferences. Additional information on our scope and methodology is included in our report. The work on which this statement is based was performed in accordance with generally accepted government auditing standards.

First, we found that CNCS assesses its grants before the beginning of each fiscal year and prioritizes its grant monitoring based on the scoring of 19 indicators, such as potential performance or financial problems and the length of time since the last compliance visit. For fiscal year 2015, CNCS identified a universe of about 2,200 grants for assessment that were expected to be active during fiscal year 2015, and prioritized 16.4 percent for compliance visits and 5.4 percent for other types of visits (such as for training and technical assistance) and for financial reviews. These visits and financial reviews are forms of grant monitoring. In addition, CNCS each year selects a random sample of grant records from each program to review for possible improper payments.

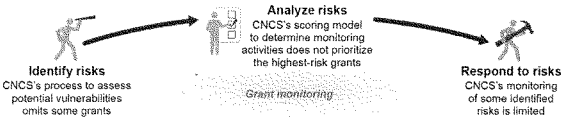
Second, we found that CNCS's current process for grant monitoring is not fully aligned with federal internal controls for identifying, analyzing, and responding to risks (see fig. 1).[5] Specifically, risks may go unidentified because CNCS's assessment process is conducted only once a year, in August, to guide its monitoring activities for the following fiscal year, while grants may continue to be awarded after the annual assessment is complete. Thus new grants are particularly vulnerable to being omitted from the assessment process, as these grants tend to be finalized just before the beginning of the new fiscal year. One CNCS official noted that an initial visit to a first-time grantee can prevent future problems. In addition, while nearly half of CNCS grant dollars are passed through by grantees to other organizations (referred to as subrecipients) and evidence from prior GAO work indicates that subrecipient oversight is a

[4] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014). We compared CNCS's process against these current internal control standards, which became effective October 1, 2015.

[5] GAO-14-704G.

key risk area,[6] CNCS's monitoring of grantees' oversight of subrecipients is limited, leaving the agency's response to risk vulnerable in this area. Moreover, CNCS has not systematically evaluated the results of its monitoring activities to use in trend analyses or to evaluate opportunities for improving its monitoring efforts.

Figure 1: Areas for Improvement of Internal Controls in CNCS's Grant Monitoring Process



Source: GAO analysis of Corporation for National and Community Service (CNCS) monitoring process and GAO Standards for Internal Control in the Federal Government, GAO-14-704G, Principle 7, as shown in GAO-17-90. | GAO-17-528T

Further, we found that limitations in CNCS' scoring model affect the identification and monitoring of risk in the following ways:

- **Some indicators that are not based on risk are given considerable weight in the rating process, while others that are based on risk are given much less weight.** The highest rated indicator is "time since last visit," which does not necessarily indicate risk, and this indicator alone can prioritize a grant for a compliance visit. In contrast, indicators for financial risks, including a high potential for improper payments, would not alone result in a grant being prioritized for a monitoring visit.
- **Several potential risk factors were included in a single indicator, "other key concerns and challenges."** A grant would receive a score for this indicator only once, even if it demonstrated the potential for multiple risks falling within the indicator, including open compliance findings, improper payment findings, the potential for financial management problems, and any findings from the pre-award review. As a result, the indicators may not meaningfully cover all potential risks, such as fraud and improper payments, as the scoring model limits the weight assigned for such risk factors to less than what is required to be prioritized for a monitoring visit.

[6] GAO, *Federal Grants: Improvements Needed in Oversight and Accountability Processes*, GAO-11-773T (Washington, D.C.: June 23, 2011).

- **Some indicators may not be calibrated effectively to capture risk.** For example, CNCS's scoring model includes an indicator that identifies whether a grantee has problems with volunteer retention—specifically, if retention is below 50 percent for 1 year, or 75 percent for 2 years. But CNCS program office staff we interviewed told us that the retention level measured by the indicator is very low, and they would prefer to intervene before retention dropped to this level.
- **Several indicators are too frequently applied to be useful in distinguishing relative risk among grants.** For example, 4 of the 19 indicators were applied to more than a quarter of the grants assessed in fiscal year 2015, which could indicate that they have minimal impact in distinguishing among grants to determine their priority status for monitoring. One indicator—"multiple awards"—applied to nearly half the grants assessed.

CNCS has taken some steps to improve the extent to which its process for grant monitoring considers grant risk, but these efforts are in the early stages and their effect is not yet clear. For example, in April 2016 CNCS hired a chief risk officer to oversee and collaborate with agency program and grant offices to develop and implement CNCS policies, procedures, and guidance related to the agency's risk framework, and to coordinate the development and implementation of documentation and reporting processes, including the improper payment review. In addition, the Office of the Chief Risk Officer is undertaking an effort to benchmark CNCS's assessment indicators and process against those of other federal agencies and programs with similar grantee profiles (i.e., agencies or programs that fund grantees with varying levels of financial, administrative, and staff capacity). CNCS has also begun a pilot effort to develop additional indicators of risk, based on a review of past performance of 10 grants and analysis of related data. Finally, officials also told us that, in addition to implementing the Enterprise Risk Management (ERM) process under Office of Management and Budget revised Circular A-123, the agency has held listening sessions with senior management and staff to gather their perspectives on key agency risks.[7] Officials said that they plan to use this information to create an agency-wide risk profile.

[7] OMB, Management's Responsibility for Enterprise Risk Management and Internal Control, OMB Circular No. A-123 (revised 2016).

CNCS's efforts to improve its consideration of grant risk are in the early stages and do not fully address our findings. As a result, based on our work, we identified four ways CNCS can move toward a risk based approach for monitoring grants:

1. Establish and implement a policy to ensure that all grants expected to be active in a fiscal year, including those awarded after the annual assessment, are assessed for potential risk.
2. Improve the level of information collected for oversight of subrecipients' activities.
3. Establish activities to systematically evaluate grant monitoring results.
4. Ensure that CNCS completes its efforts to benchmark its assessment criteria and scoring process so that the riskiest grants get the highest scores and assessment indicators meaningfully cover all identifiable risks.

Third, we found that CNCS has not conducted the strategic workforce planning necessary to determine whether it has the people and resources to effectively monitor grantees' compliance with grant program requirements, as key principles for effective strategic workforce planning in prior GAO work suggest.[8] CNCS's workforce management activities to address vacancies have been largely ad-hoc, including addressing vacancies in a key office responsible for grant monitoring, at senior levels across the agency, and among program and grant officers. Our analysis showed that some of these vacancies reduced the number of fiscal year 2015 monitoring activities conducted. Also, program and grant officers' workloads varied across the agency, and CNCS has not evaluated whether staff have been deployed where they are most needed. Officials said that they had not developed a strategic workforce planning process because of limited resources. Without such a process, however, CNCS's efforts to address workforce challenges may continue to be ad hoc and reactive. We also found that training opportunities vary by CNCS office, and coverage of grant monitoring responsibilities is inconsistent. For example, program officers have been tasked with monitoring grantees' fiscal management practices, but many have not received fiscal monitoring training. This is because CNCS has not established a training

[8] GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003). In this work, we identified key principles for effective strategic workforce planning by conducting a review of studies by leading workforce planning organizations and federal agency workforce planning practices.

planning process aligned with critical competencies for program and grant officers, such as fiscal monitoring.

Based on our work, we identified two ways CNCS can improve its capacity for monitoring grantee compliance:

1. Develop and document a strategic workforce planning process, and
2. Establish a training planning process linked with critical competencies for grant monitoring.

CNCS did not comment on the report's findings or recommendations, but did provide technical comments, which we incorporated as appropriate.

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contact

If you or your staff have any questions about this testimony, please contact Allison Bawden at (202) 512-7215 or at bawdena@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

Staff Acknowledgments

GAO staff who made key contributions to this testimony are: Margie K. Shields, Assistant Director; Dana Z. Hopings; Sarah M. Martin; and Jason S. Palmer.

Appendix I: State-by-State Data on Corporation for National and Community Service (CNCS) Grants

Table 1: Number of CNCS Projects and Volunteers, and Funding by State, Fiscal Year 2016

State	Number of CNCS grants/projects	Number of volunteers[a]	Total CNCS funding[b]
Alabama	82	9,635	**$9,152,881**
Alaska	23	633	**$2,941,445**
Arizona	60	3,702	**$9,211,551**
Arkansas	59	4,591	**$7,229,399**
California	364	25,508	**$73,375,903**
Colorado	113	7,659	**$22,637,068**
Connecticut	51	3,348	**$8,237,050**
Delaware	18	1,305	**$2,523,326**
District of Columbia	113	3,671	**$24,144,397**
Florida	159	14,418	**$29,471,153**
Georgia	96	3,992	**$14,526,254**
Hawaii	35	3,166	**$4,090,080**
Idaho	42	2,755	**$4,261,729**
Illinois	144	14,140	**$22,196,259**
Indiana	86	6,421	**$10,558,532**
Iowa	76	6,847	**$15,728,319**
Kansas	52	5,481	**$6,045,291**
Kentucky	68	5,482	**$12,953,497**
Louisiana	82	4,949	**$12,973,407**
Maine	25	2,338	**$5,027,898**
Maryland	82	8,156	**$18,987,226**
Massachusetts	146	9,001	**$31,675,544**
Michigan	151	10,166	**$21,126,893**
Minnesota	96	15,653	**$35,121,147**
Mississippi	55	3,118	**$13,159,659**
Missouri	88	6,136	**$11,132,714**
Montana	41	4,849	**$7,502,090**
Nebraska	43	3,070	**$6,663,263**
Nevada	36	2,414	**$4,370,247**
New Hampshire	27	2,941	**$5,825,741**
New Jersey	78	6,081	**$11,910,101**
New Mexico	88	4,566	**$5,724,313**
New York	254	26,229	**$67,198,074**
North Carolina	108	7,688	**$15,836,148**
North Dakota	17	3,330	**$2,349,296**

Appendix I: State-by-State Data on Corporation for National and Community Service (CNCS) Grants

State	Number of CNCS grants/projects	Number of volunteers[a]	Total CNCS funding[b]
Ohio	108	10,119	$19,159,789
Oklahoma	53	7,439	$9,457,780
Oregon	78	5,850	$12,352,922
Pennsylvania	129	15,765	$25,664,442
Rhode Island	34	4,220	$4,938,865
South Carolina	71	4,073	$10,083,018
South Dakota	32	3,457	$3,692,401
Tennessee	83	6,193	$11,144,660
Texas[c]	232	33,667	$32,563,990
Utah	63	5,187	$11,728,511
Vermont	26	2,403	$4,476,522
Virginia	95	5,724	$10,324,809
Washington	102	8,745	$23,991,442
West Virginia	47	3,798	$9,552,979
Wisconsin	88	9,728	$14,618,993
Wyoming	22	1,165	$2,479,091

Source: GAO analysis of Corporation for National and Community Service (CNCS) State Profiles (data as of February 22, 2016), as shown in GAO-17-90 | GAO-17-528T

a Number of volunteers represents number of awarded positions for the program year.

b Total funding amount does not include education awards. Funding amounts to grantees in territories are not included.

c Data for Texas are as of April 13, 2016.

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Chairman GUTHRIE. Thank you for your testimony. Ms. Giblin, you are now recognized for 5 minutes for your testimony.

TESTIMONY OF LORI GIBLIN, CHIEF RISK OFFICER, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Ms. GIBLIN. Chairman Guthrie, Ranking Member Davis, and members of the subcommittee, thank you for inviting me to testify today. I share the committee's view that our agency has a responsibility to ensure Federal funds are well managed and welcome this opportunity to discuss our commitment to strong risk management and prudent stewardship of taxpayer dollars.

My written testimony details our comprehensive risk management frameworks and the multiple steps we have taken since the subcommittee hearing last year. I will summarize them now. To properly identify and manage risk, the first step has to be a commitment from the top. CNCS leadership has made an extraordinary commitment to risk management and has backed up that commitment with action.

We are one of the first independent and small Federal agencies to hire a chief risk officer. We are one of the only agencies that has aligned all of our risk assessment functions into one integrated framework. We have been identified as a leader among our peers in implementing the principles of risk management laid out by OMB.

Even in an extremely tight budget environment, we have redirected scarce resources to ensure this function is properly staffed and have hired 17 professionals with extensive experience in accounting, auditing, compliance, internal controls, and risk management. Over many years, CNCS has built a culture of accountability and a strong system for monitoring and oversight.

Now, with the strong commitment for leadership, infusion of resources, and a top-notch team, we are building on that foundation to implement a risk-based program modeled on industry best practices.

Our focus is to identify actual evidence-based risks, validate and prioritize them, and mitigate them on an ongoing basis. We follow leading industry practices in organizing risk into four basic categories: programmatic, financial, compliance, and fraud.

In the area of programmatic risk, we provide training and technical assistance to our grantees to assist them in successfully implementing their programs. For financial risk, we continually assess our grantees' financial liability and ability to manage Federal funds. If a grantee has challenges, we use a wide range of strategies and corrective actions, including increased monitoring, putting grantees on a reimbursement only status, requiring them to report monthly on expenditures, termination, suspension, and debarment.

For compliance and fraud risk, we have taken multiple steps to ensure that grantees comply with the terms and conditions of their award and to ensure that we safeguard the agency against fraud, waste, and abuse.

To ensure our work is effective, coordinated, and delivering results, we have consolidated five risk assessment programs under my office.

First, we are taking comprehensive action to improve compliance with national service criminal history check requirements. We implemented a solution enabling our grantees to directly obtain FBI checks from a private vendor. We are now seeking another market-based solution to conduct the State criminal history checks that many of our grantees are currently unable to perform. This solution will include a check of the National Sex Offender public website, which will ensure that a required check is complete.

We are leaning in, going beyond what is required, to do what is smart by providing resources to our grantees so they can better detect and prevent misconduct before it happens. My office is implementing a testing process for improper payments that will help us identify root causes of noncompliance and more accurately report the effectiveness of our program to eliminate such payments.

The agency is taking multiple steps to strengthen internal controls, including testing enterprise-wide controls, convening a fraud risk assessment committee, and aligning our internal controls annual testing approach with industry best practices.

CNCS is also implementing an enterprise risk management program and developing a risk profile that will inform how management invests limited resources and risk mitigation strategies.

And last, we are refining the criteria used in the annual grant risk assessment that informs the types of monitoring and technical assistance grantees require. All these actions and many others demonstrate the priority we place on risk management and the commitment we have to accountability and the responsible use of taxpayer dollars.

Our systems for monitoring oversight are working. Misconduct is very rare and when it happens, we take swift action. We are always looking for ways to improve and strengthen our systems and we appreciate the guidance from our IG and from GAO and this committee. Enhancing these systems will help us better support the 325,000 dedicated Americans serving through AmeriCorps and SeniorCorps at 50,000 locations across our Nation.

They are tutoring and mentoring at-risk youth, responding to disasters, supporting veterans and their families, and much more, all while recruiting millions of additional volunteers to serve alongside them and multiply their impact.

I hope my testimony today assures the committee of our commitment to accountability and our interest in doing more and I welcome your questions.

[The statement of Ms. Giblin follows:]

Written Testimony of Lori Giblin
Chief Risk Officer, Corporation for National and Community Service
Before the Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Development
March 28, 2017

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee,

Thank you for the invitation to testify today. I appreciate the opportunity to discuss the Corporation for National and Community Service's (CNCS) commitment to strong risk management and prudent stewardship of taxpayer dollars.

My name is Lori Giblin, and I've served as Chief Risk Officer for CNCS since April of 2016. I joined CNCS ten months ago with nearly 25 years of experience working for the great states of Virginia and Arizona and the federal government in the areas of community development, compliance, monitoring, internal controls, and risk management. Today, I will provide you with an update on the activities of the Office of the Chief Risk Officer since our former CEO Wendy Spencer appeared before this Subcommittee in May 2016.

I would like to start by recognizing CNCS's senior leadership, as well as CNCS staff for their support as my team and I have developed a strategy and work plan that refines and builds on CNCS's current risk management framework. Without this team of dedicated professionals, I would not be able to share our accomplishments to date and be confident that we can address the opportunities and challenges that lie ahead. I also want to acknowledge the ongoing collaborative partnership and support that I have received from the Inspector General who has been helpful in identifying areas where attention is needed.

My presence here today represents CNCS's extraordinary commitment to risk management. We view an effective risk management program as an essential strategy for ensuring we meet our grantee management and oversight responsibilities. It bears noting that CNCS is one of the first small, independent federal agencies to hire a Chief Risk Officer. We are also one of the only agencies that has aligned all of our risk assessment functions within one integrated framework. And, through our participation as steering committee members of the Association of Federal Enterprise Risk Management's Small Agency Community of Practice, we have been identified as a leader among our peers in implementing the principles of risk management described in the Office of Management and Budget (OMB) guidance released in FY 2016.

Even in an extremely tight budget environment, agency management prioritized the implementation of risk management, redirecting scarce resources to ensure that this function is properly staffed and supported. This has enabled us to develop and begin to implement a robust

work plan. Thanks to management support we have built a team of seventeen risk management professionals with extensive public and private sector experience in accounting, auditing, compliance, internal controls, and risk management.

My top priority as Chief Risk Officer is to build on our strengths and accomplishments and address challenges by further developing a risk-based program modeled on industry best practices. This program will identify where the agency faces challenges and risks in terms of fully delivering on our mission. Once these challenges and risks are clearly identified, tested, and verified, my job is to design and implement strategies to mitigate those risks. Mitigating risks means to eliminate, prevent, or reduce the negative impact upon our programs, which are vitally important to communities across the country and the American public.

In this testimony I will describe risk management at CNCS as it relates to four standard categories of risk: programmatic, financial, compliance, and fraud. I will also provide an update on progress and accomplishments in the five programs that the Office of the Chief Risk Officer directs. I will end with a summary of our path forward.

Corporation for National and Community Service Overview

To appreciate the risk management systems that CNCS has put in place to ensure accountability, it is important to understand the structure of national service and our programs.

CNCS supports service opportunities and building evidence for social interventions through AmeriCorps members, Senior Corps volunteers, and Social Innovation Fund grantees. The support we provide includes service opportunities and grants that focus on disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families. Last year, 325,000 Americans served in CNCS supported programs at more than 50,000 locations across the nation, including more than 244,000 Senior Corps members and nearly 80,000 AmeriCorps members. Our Social Innovation Fund supports more than 426 organizations in 44 states building the evidence base to support interventions in communities around the country. Since 2011, CNCS responded to 200 state and federally declared disasters, deploying more than 16,000 national service participants, including AmeriCorps NCCC and FEMA Corps teams. The structure of CNCS includes a wide variety of grantee activity at many locations and thousands of members each year, creating a complex environment for risk management.

Risk Management Framework at CNCS

CNCS follows leading industry practice in organizing risk into four basic categories: programmatic, financial, compliance, and fraud. The Office of the Chief Risk Officer ensures

that the agency actively identifies and mitigates risk in each of these categories in order to successfully deliver effective national service and social innovation activities and benefits.

Our current direction in risk management is to identify actual, evidence-based risks; validate and prioritize them, and mitigate them on an ongoing basis. CNCS takes any misuse of federal funds extremely seriously and our framework will ensure that our risk management efforts are prioritized for impact rather than focusing on isolated incidents that are not representative of the entire grant portfolio.

Programmatic Risk

In the area of programmatic risk, CNCS manages a large, diverse, and active grant portfolio. A majority of our funding is invested in grantmaking. We assess, award, monitor, and provide training and technical assistance to our grantees to assist them in successfully implementing their programs and that any programmatic, financial, compliance or fraud risk on the part of the grantee is mitigated.

Financial Risk

In defining financial risk to the agency, we assess challenges that affect our grantees' financial viability and their ability to manage federal funds. In some circumstances we may make a strategic choice to tolerate a higher level of financial risk in order to support grantees that are delivering high-quality services that address needs in low-income and hard-to-serve communities or facing pressing or emerging risks.

CNCS employs a wide range of strategies to deal with grantees that have financial challenges, including termination if the grantee cannot comply with the terms and conditions of the award, not considering a grantee for further funding, suspension, and debarment. Other corrective actions include putting grantees on reimbursement only or requiring them to report monthly on their programmatic progress and expenditures. In addition, the agency has taken strong measures over the last two years to ensure that disallowed costs that are identified through audits, investigations and monitoring are recovered.

Compliance and Fraud Risk

Another priority as the Chief Risk Officer is to ensure that grantees comply with the terms and conditions of their award and to ensure that we safeguard the agency against fraud, waste and abuse. Let me share with you what our agency has done to enhance our risk mitigation posture and ensure that we have effective controls in the areas of compliance and fraud risk.

First, the CNCS senior leadership team has provided significant support for the framework of our risk program—its leadership, governance, and organizational structure. Since I arrived at CNCS, senior leadership, based upon my recommendations and their commitment to our success, has increased staffing of the risk management team.

To ensure that this team meets its goal of building, implementing, and reporting the results of a robust risk program, we have established a governance structure that will hold CNCS to the highest standards. Our senior level governance body has met seven times since I arrived and they have made important decisions on staffing, internal controls, and the criminal history check program. I am confident that this governance structure, combined with strong CEO and Board oversight and support, as well as monthly meetings with the IG and OIG staff, will ensure successful implementation of our risk strategies.

Programs of Office of the Chief Risk Officer

CNCS established the Office of the Chief Risk Officer to oversee all of the agency's financial and programmatic internal risk assessment programs under one executive, including National Service Criminal History Checks, Improper Payments, Internal Controls, Grants Assessment, and Enterprise Risk Management programs.

National Service Criminal History Checks

The National Service Criminal History Checks program is the newest addition to the portfolio of the Office of the Chief Risk Officer. It was added as a follow-up action after the agency last testified before this Committee. Since we added the program to the Office of the Chief Risk Officer, senior leadership has approved a seven-point strategy that we are implementing to address the root causes of grantee noncompliance. These critical controls are designed to enhance the controls currently in place to protect our most vulnerable populations from those who wish to do harm.

As our former CEO shared during her testimony last year, CNCS developed and implemented a strategy to improve compliance with the National Service Criminal History Check requirements. This strategy includes using the agency's legal authority to enable our grantees to directly obtain fingerprint based checks from a private vendor. Since engaging in this solution, the vendor has provided 17,476 checks to 531 grant recipient organizations in 44 states and the District of Columbia and Puerto Rico. The vendor has helped CNCS and our grantees identify potential ineligible applicants thus fortifying our risk efforts and protecting those we serve. Building on that success, my office will seek a market-based solution to conduct the state criminal history checks that our grantees are currently unable to perform due to lack of access or capability.

In addition, the market-based solution will include the National Sex Offender Public Website checks, ensuring a complete three-part check. This solution will enable us to continue to protect our most vulnerable citizens, serve our grantees, and standardize a complex procedure. In addition to this public-private partnership, CNCS will augment and strengthen our outreach and training plans by educating our grantees in detection and encouraging active participation in proven prevention strategies.

Improper Payments

Every federal agency is required to assess payments that were made to the wrong person, at the wrong time, or in the wrong amount. Our agency has faced challenges in implementing a testing process that allows us to report, with confidence, our estimated rate of improper payments.

We have met with OMB and other federal agencies to gather their input on our testing design and approach to ensure that we are adopting proven strategies so we can more accurately report on the effectiveness of our program to eliminate improper payments. Next month we will submit a testing methodology to OMB that will help us report accurately and test in a way that identifies root causes to our major sources of noncompliance.

Internal Controls

I have been working closely with senior leadership to enhance and refine our internal control framework to comply with all Government Accountability Office (GAO) standards, including those detailed in GAO's Framework for Managing Fraud Risks in Federal Programs. We have recently conducted the agency's first ever entity-level assessment that tested the agency's enterprise-wide controls. We are pleased to report that no material gaps were identified.

We have also convened a Fraud Risk Assessment Committee and have scheduled meetings of the group for the remainder of the fiscal year. This committee will guide the agency in identifying potential fraud risks. It will rate, rank, and calibrate identified risks for further action and implement risk mitigation strategies. In addition to the fraud risk assessment, we have hired a contractor to reconfigure our overall internal controls annual testing approach to make sure it is aligned with industry best practices. This year we have selected the procurement and grant lifecycle functions for testing and will continue to develop the assessment tools needed to test the agency's other key business processes.

Enterprise Risk Management

My team is actively participating in the government-wide effort to implement an enterprise risk management program as one component of our risk management framework. We are in the

process of drafting an agency risk register that will be validated and prioritized by senior leadership. We anticipate completing this assessment in the coming months. This risk register will also be used to further assess agency risks and vulnerabilities and provide us the opportunity to refine our mitigation strategies on an ongoing basis.

Monitoring Risk Assessment

My team is charged with developing and facilitating the annual risk assessment of all grants. The agency has an assessment tool that assists us in identifying whether grantees require additional monitoring and training and technical assistance. Nearly a decade ago, CNCS was at the leading edge of federal agencies that developed assessment criteria used to determine which grantees we monitor and how we conduct grantee monitoring. Though we have refined this criteria over the years, we will be working to further refine and mature it moving forward. In addition to strengthening our risk assessment process, CNCS continues to enhance our grantee oversight and monitoring throughout the grant lifecycle to ensure grantee success and accountability.

Conclusion

Thank you for the opportunity to provide testimony today. I want to assure the Committee that CNCS and I are deeply committed to developing and enhancing our approach to risk management. We take our responsibilities very seriously and are confident in our ability to effectively manage federal funds and provide national service opportunities to the American public. I welcome your advice and counsel.

Chairman GUTHRIE. Thank you for your testimony. I know recognize Ms. Darling for 5 minutes for her testimony.

TESTIMONY OF ELIZABETH DARLING, CEO AND PRESIDENT, ONESTAR FOUNDATION AND NATIONAL SERVICE COMMISSION

Ms. DARLING. Mr. Chairman and members of the committee, thank you for inviting me to testify today. I appreciate the opportunity to discuss the Corporation for National and Community Service and their unique structure and systems of accountability and oversight.

I am also pleased to share with you a snapshot of how the State of Texas benefits from the corporation grant funding administered by OneStar National Service Commission. OneStar is 1 of 52 State service commissions charged with strengthening local communities through service and volunteering. The corporation's decentralized structure provides States the flexibility to meet local needs in alignment with our governor's priorities. Three-quarters of the corporations of AmeriCorps funding flows through governor-appointed State service commissions.

In Texas, OneStar administers approximately $14 million in corporation grant funding through a highly competitive process engaging nonprofits, State agencies, universities, and local governments. These funds leverage an additional $31 million in private cash and in-kind support for 2,400 AmeriCorps VISTA members who collectively will earn over $9 million in education awards that may be used to repay student loans or for continuing education.

Many private Texas funders look to OneStar's portfolio of programs to inform their own grant decisions. They know our grant making is rigorous from our intensive pre-award vetting to risk assessment to subsequent monitoring of performance throughout the life cycle of the grant. Commissions truly are the first line of defense in ensuring accountability and good stewardship of taxpayer dollars.

In Texas, we don't hesitate to disallow costs for even the smallest compliance issue. Our subgrantees know that we don't tolerate noncompliance and if mistakes are made, there are real financial consequences.

Compliance is critical and community impact is the ultimate goal. National service, whether AmeriCorps or its companion program, SeniorCorps, allows nonprofits to serve thousands more people than they could otherwise serve. In 2016, AmeriCorps Texas programs served almost 153,000 at-risk youth. Thirty thousand SeniorCorps members in Texas kept frail, elderly Texans in their homes, mentored youth in detention facilities, and responded in times of disaster.

Like many State service commissions, OneStar works closely with our Division of Emergency Management. We are named in our State disaster response plan as the point of contact for national service and the coordination of unaffiliated volunteers.

Last year, 1,600 AmeriCorps members recruited, trained, and managed almost 11,000 volunteers who responded to a series of disasters and still assist today in ongoing recovery projects, including Southeast Texas flooding, Wimberley flooding, Memorial Day

flooding, the Hidden Pines wildfire, Halloween flooding, North Texas tornadoes, the 2015 Van tornadoes, and the 2013 West Fertilizer explosion.

These are not just names of unfortunate events. These are now threads in the fabric of Texas history. Texas will soon also be home base to the first RV DisasterCorps, deploying SeniorCorps volunteers and their recreational vehicles in response to disasters within our 254 county region. Over the past 5 years, the corporation has mobilized thousands of SeniorCorps volunteers and AmeriCorps members throughout the country in response to over 200 declared disasters, some in your home States and districts.

Along the southernmost tip of Texas is a border region known as the Rio Grande Valley, an area of high need and few resources to lift people out of poverty. The University of Texas Rio Grande Valley AmeriCorps program supports 160 university students as mentors, providing college access services to over 5,000 low-income, first-generation high school seniors and last year, over 3,300 of those school students successfully enrolled in postsecondary education. The Literacy First AmeriCorps program in Austin supports 106 AmeriCorps members at 32 high-poverty schools, providing daily intensive, individualized reading interventions to over 2,000 kindergarten, first grade, and second grade students. Approximately two-thirds of those tutored students reach grade level by the end of the school year.

OneStar, like the commission in your State, is able to support these high-performing programs because of CNCS. The corporation provides consistent guidance, resources, and tools to assist us in our work. Our staff attend comprehensive trainings, adopt CNCS developed monitoring tools and templates, and receive regular and frequent support from dedicated program and grants officers.

My written testimony provides greater detail on the corporation's support and monitoring of OneStar National Service Commission as well as our policies and procedures related to the oversight of subgrantees. I am grateful to the committee and to each of you as public servants charged with ensuring that taxpayer dollars are used effectively and that all actors are good stewards of the resources with which we are entrusted. Thank you.

[The statement of Ms. Darling follows:]

Written Testimony of Elizabeth Darling
CEO/President Texas OneStar Foundation and OneStar National Service Commission
Before the Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Training
March 28, 2017

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee:

Thank you for the invitation to testify today. I appreciate the opportunity to provide the Committee insight into the accountability structures within the OneStar National Service Commission, a grantee of the Corporation for National and Community Service (CNCS). This testimony also outlines for the Committee, the many ways CNCS works with state service commissions to ensure compliance with federal regulations and good stewardship of taxpayer dollars.

INTRODUCTION

OneStar is one of 52 state service commissions, each of which is as different as our state flags and our geography, yet we are bound by many commonalities. Many commissions reside within a state agency as determined by their governor. Some even reside within the Office of the Governor or Lt. Governor. Other commissions may be stand-alone agencies or separate nonprofit organizations with a link to the Office of the Governor like OneStar Foundation. Each commission is governed by a board of gubernatorial appointees who represent various constituencies as directed by federal statute. All Commissions are charged with identifying local needs, setting polices and program priorities, and overseeing the AmeriCorps competitive grant process for their state.

Commissions administer three quarters of CNCS' AmeriCorps grant funding which is matched dollar for dollar or greater. Commissions award grants supporting human capital (AmeriCorps members) to local nonprofits, universities, state agencies and Tribal governments; provide training and technical assistance; monitor grantees to ensure program quality and compliance with federal and state law; and promote service and volunteering. Many governors also look to their state service commission to support special initiatives funded by state or philanthropic dollars such as annual nonprofit conferences, volunteer awards programs, special mentoring programs, disaster corps and other purposes as determined by their state.

In Texas, OneStar administers approximately $14 million in Corporation grant funding through a highly competitive process engaging nonprofits, state agencies, universities and local governments. These funds leverage an additional $31 million in private cash and in-kind

support for 2400 AmeriCorps members who collectively will earn over $9 million in education awards that may be used to repay student loans or for continuing education.

Like many state service commissions, OneStar works closely with our Division of Emergency Management. We are named in our state disaster response plan as the point of contact for national service and the coordination of spontaneous volunteers. Last year 1,600 AmeriCorps members recruited, trained and managed almost 11,000 volunteers who responded to a series of disasters and are assisting still in ongoing recovery projects including Southeast Texas Flooding, Wimberley Flooding, Memorial Day Flooding, the Hidden Pines Wildfire, Halloween Flooding, North Texas Tornados, the 2015 Van Tornados and the 2013 West Fertilizer explosion. These are not just names of unfortunate events, these are now threads in the fabric of Texas' history.

Texas will soon be home-base to the first RV Senior Corps program deploying Senior Corp volunteers in their motor homes in response to disasters within our 254 county region. Over the past 5 years, the Corporation has mobilized thousands of Senior Corps volunteers and AmeriCorps members throughout the country in response to more than 200 declared disasters, some in your home states and districts.

National service, whether AmeriCorps or its companion program Senior Corps, allows local nonprofits to serve tens of thousands more people than they could otherwise serve. In 2016 AmeriCorps Texas programs served almost 153,000 youth at risk. 30,000 Senior Corps volunteers kept frail elderly Texans in their homes, mentored youth in detention facilities and managed thousands of volunteers after disaster.

Along the southern-most tip of Texas is a border region known as the Rio Grande Valley, an area of high need and few resources to lift people out of poverty. The University of Texas Rio Grande Valley AmeriCorps program supports 160 university students as mentors providing college access services to over 5,000 low-income, first-generation high school seniors. Last year over 3,300 of these high school students successfully enrolled in accredited postsecondary institutions.

The Literacy First AmeriCorps program in Austin supports 106 AmeriCorps members at 32 high-poverty schools providing daily, intensive, individualized reading interventions to over 2,000 kindergarten, first and second grade students. Literacy First's robust evidence-based model works! Approximately two-thirds of tutored students reach grade-level in reading by the end of the school year.

We have a great national service story to tell in Texas and the same is true in each of your states. In order to accomplish our work, we must have well managed programs that are in compliance

with state and federal regulations and accountable for the funds awarded through the AmeriCorps program.

For the purposes of my testimony today I will focus on OneStar's role as Texas' state service commission and the management of our AmeriCorps portfolio. I would like to note that some CNCS AmeriCorps grantees (National Direct programs) apply directly to the Corporation for their funding without going through state service commissions. Their risk assessment, monitoring and oversight activities will have many parallels and similarities to commissions due to our common funder, CNCS.

I have served as CEO/President of OneStar Foundation and OneStar National Service Commission since my appointment by Governor Rick Perry in 2009. I currently serve under Governor Greg Abbott. Over the past 8 years the sophistication and integrity of OneStar's grant-making and oversight has matured along with that of CNCS. Many private Texas funders look to OneStar's portfolio of programs to inform their own grant decisions. They know our grant-making is rigorous from our intensive pre-award vetting and risk assessment to the subsequent monitoring of performance throughout the lifecycle of our grants. With CNCS' guidance and resources we are engaged in continuous improvement, never satisfied with the status quo. State service commissions truly are the first line of defense in ensuring accountability and good stewardship of these taxpayer dollars.

CNCS OVERSIGHT

OneStar has found CNCS's oversight to be robust and the resources and trainings provided to be improving over the last few years. It is clear that CNCS takes training and prevention activities seriously, and puts a great deal of effort into ensuring the national service field has access to resources needed to run compliant programs. OneStar frequently uses resources developed by CNCS to provide oversight to our sub-grantees. OneStar feels confident in our ability to provide oversight to our grantees based on the oversight we receive as a grantee of CNCS.

CNCS Monitoring

Within the last three years OneStar has received a monitoring visit from our CNCS Program Officer and CNCS Grants (fiscal) Officer. Both visits spanned several days and covered in detail primary AmeriCorps regulations. The tools and feedback used by our CNCS Program and Grants Officers were beneficial to OneStar as a state service commission, to refine how we monitor our sub-grantees and to ensure we are documenting written policies and procedures. The monitoring visit from our Program Officer also included a review of full member files, member National Service Criminal History Check (NSCHC) files, and staff NSCHC files of selected sub-grantees. Additionally, the visit included member observations of one of our sub-grantees. The visits were constructive and thorough.

Under the Improper Payments Elimination and Recovery Act (IPERA) CNCS is responsible for determining if its programs are susceptible to significant levels of improper payments. CNCS uses random sampling methodology to select transactions, and then grantees must submit supporting documentation. OneStar and our sub-grantees have been selected for IPERA testing for several years and found the process to be thorough.

CNCS PROVIDED RESOURCES, TRAINING AND SUPPORT

State service commissions are fortunate to have the benefit of countless resources from CNCS to help us provide critical oversight to sub-grantees. Below is a summary of some of the resources OneStar has found particularly helpful:

AmeriCorps State and National Symposium: Each year, CNCS delivers a multi-day Symposium for leaders of state service commissions, and AmeriCorps National grantees. The AmeriCorps State and National Symposium offers an opportunity to learn about grant requirements and best practices, build relationships with CNCS staff at all levels, and network with colleagues from a variety of programs. The event is designed to build the AmeriCorps network and strengthen programming and service experiences across the country. OneStar typically sends 2-4 staff to the Symposium, and brings back resources to share with the full team. Information learned at the Symposium is used to shape OneStar trainings and technical assistance to our sub-grantees throughout the upcoming year.

National Service Regional Trainings: These regional trainings are hosted in collaboration with state service commissions, CNCS, and America's Service Commissions (ASC) the association for state commissions. Staff representing all streams of national service are encouraged and welcome to attend the training events including but not limited to AmeriCorps State (state service commissions), AmeriCorps National Direct, Senior Corps, Social Innovation Fund grantees, AmeriCorps VISTA, Volunteer Generation Fund grantees, Tribal Grantees, and AmeriCorps National Civilian Community Corps (NCCC). These trainings provide critical "how-to" training for both OneStar staff and our sub-grantee staff. The fact that these trainings are developed locally within regions allows the trainings to be tailored to regional needs, while also providing the expertise from CNCS presenters on AmeriCorps regulations and best practices. The CNCS Office of Inspector General is a frequent presenter and attendee at these regional events.

Regular Webinars and Trainings: CNCS is frequently hosting webinars and distributing resources to their grantees to provide training on AmeriCorps regulations, training on new information, and general support for running high quality, compliant national service programs.

Communication with CNCS Program and Grants Officer: The CNCS model of one assigned Program Officer and Grants Officer is effective in ensuring grantees receive the support they need from CNCS. OneStar has scheduled monthly calls with our assigned Program Officer, and is in constant communication outside of those call times as well, typically on a weekly basis. OneStar's assigned Grants Officer is available to help when questions arise. It is extremely beneficial to have a primary contact at CNCS that we can trust to provide us guidance in a timely

manner. This is essential for us to in turn provide the guidance necessary to our sub-grantees. When we have difficult or ambiguous questions we know we can reach out to our Program or Grants Officer.

CNCS Website: The CNCS website contains countless resources for state commissions and sub-grantees. OneStar staff reference resources on the website on an almost daily basis. Some of the most helpful resources are the Knowledge Networks that provide in depth information on a wide variety of topics, such as Evaluation, Recruitment, Disability Inclusion, and National Service Criminal History Checks.

National Service Criminal History Check (NSCHC) Resources: CNCS has been increasing the level of support and guidance for NSCHC checks every year. There is now a robust eCourse that is required for all grantees and sub-grantees to take annually. CNCS has also released guidance for disallowing costs for non-compliant NSCHCs that uses a risk-based approach. They have also recently added a state-by-state guide for running compliant "state of residence checks", which can often be one of the most time-intensive check components to complete.

ONESTAR OVERSIGHT

Risk Assessment and Monitoring Procedures

OneStar conducts an annual Portfolio Risk Assessment, which includes 23 different categories across inherent, program, and fiscal risk. The Risk Assessment includes: Inherent items of risk, any items as a result of pre-award reviews, follow-up items as a result of any site and/or desk-based monitoring, issues identified in monthly compliance meetings, external information as applicable (i.e. publicly available information, complaints, news headlines, etc.). The risk scores determine the intensity of monitoring each sub-grantee receives, but does not determine when monitoring is received.

Each sub-grantee receives a monitoring visit once during their three-year project period. In 2016, OneStar conducted monitoring visits of 9 sub-grantees, or 32% of the portfolio. Additionally, three sub-grantees received post-award visits in the first year of their grant, one sub-grantee received a pre-award visit prior to the start of their grant, and two planning sub-grantees received visits to provide in person training. In total, 54% of sub-grantees received some type of visit from OneStar staff (15 of 28 grantees) in 2016.

During monitoring visits OneStar Grants and Program Officers conduct group interviews with 5 AmeriCorps members, conduct member observations, and site supervisor interviews. The number of interviews and observations conducted are dependent on portfolio risk assessment. Additionally there are Program and Fiscal staff interviews that take place during monitoring visits, where OneStar staff can monitor for sub-grantees' adherence to required regulations and to their own written policies, which are reviewed in conjunction with the visit.

100% of operating AmeriCorps sub-grantees receive an annual desk-based monitoring of both their program and fiscal files. For program monitoring portfolio risk assessment is used to

determine how many full member files, member NSCHC files, and staff NSCHC files are pulled for review for each grantee. For fiscal monitoring, all programs receive an end of year reconciliation of reimbursement requests, and the portfolio risk assessment is used to determine the number of transactions pulled for testing throughout the year for cost-reimbursement grants.

Ongoing Resources and Support for Oversight

In addition to Monitoring Visits, OneStar provides several avenues to prevent, detect, and enforce potential compliance issues. OneStar is committed to providing high quality training and resources to sub-grantees to ensure quality, compliant programming. Below is a summary of these types of activities:

All Grantee Meeting (AGM): OneStar hosts the All-Grantee Meeting (AGM) annually for our sub-grantees as a required training, typically 2 days. Participants are brought together from across Texas to build relationships and networks, share best practices, address challenges, reflect on the year to date, and receive important updates and trainings from the field on programmatic and fiscal topics. Previous sessions include: National Service Criminal History Check Bootcamp, Procurement Procedures, and Preparing for an OIG Audit and Securing Federal Funds.

New AmeriCorps Staff Orientation (NASO): OneStar holds a special 1.5-day orientation and basic training for new sub-grantees and/or new staff working with sub-grantees approximately 2-3 times per year, typically in July, November, and March. This orientation is mandatory for any Primary Program and Fiscal Staff listed on the AmeriCorps Authorized Representative Form (ARF) within the first year of being assigned as a Primary contact.

Monthly Calls: OneStar hosts 2 sets of Grantee Training and Technical Assistance (TTA) calls for sub-grantees. Every other month is an "Updates from the Field Call" where OneStar staff share our updates and reminders with the whole portfolio, and on the alternate months, OneStar Program and Grants Officers have one-on-one calls with each sub-grantee.

Member Experience Survey: Every year, OneStar requires programs to send the Member Experience Survey out to AmeriCorps members. While this survey is optional, OneStar strongly recommends that programs encourage their members to complete it. Typical response rate is about 50% of AmeriCorps members within the OneStar portfolio (approximately 1200). This survey includes topics asking members what they have received training on, if they have ever been asked to participate in prohibited activities, as well as reflection on how meaningful they find their service. Responses are broken down by sub-grantee and OneStar Program Officers follow-up with sub-grantees on any issues raised in the responses.

Pre-Award Review: Each summer, as part of OneStar's annual Pre-Award Review process, each OneStar Program and Grants Officers complete an in-depth review of all relevant program and fiscal start up documents. The Notice of Funding Availability (NOGA) will not be issued until Program and Grants Officers have approved all required start up documents.

Pre-Award Visits: For newly selected AmeriCorps sub-grantees, OneStar Program and Grants Officers conduct a full day Pre-Award Start Up Visit prior to issuing the NOGA. During this on-site visit, OneStar Program and Grants Officers provide initial, face-to-face training and technical assistance related to the program launch.

Grant Review: During annual grant review (New, Recompete, and Continuation), OneStar-trained grant reviewers specifically review all grant application narratives and proposed member activity descriptions for any concerning language or other red flags. If any red flags are detected, the applicant must go through additional clarification; if for any reason resolution of the concerns or questions was not reached, the grant application would not be considered for funding.

AmeriCorps Progress Report (APR) Review: During the mid-year and end of year APR review, OneStar Program Officers complete a careful review of sub-grantees' submitted APR. This review occurs twice per year for the mid-year and end of year report. The Program Officers review performance measures, demographic information, and member data reported for validity, completeness, consistency, accuracy and verifiability. If the Program Officers detect any potential errors or items that need clarification, they will be addressed in the APR Review document sent to the program with action items.

Data Dive: On a yearly basis, OneStar Program Officers complete a data dive for every sub-grantee. This review occurs after the mid-year AmeriCorps Progress Report is submitted. In this review, they conduct a basic test of the accuracy and verifiability of one data point reported in the Mid-Year AmeriCorps Progress Report. All data submitted as part of progress reports are potentially subject to testing and review.

Federal Financial Report (FFR): During mid-year and end of year FFR Review, OneStar Grants Officers complete a careful review of sub-grantee' submitted FFRs. OneStar's FFRs and Unexpended Reports for its prime grants reflect the following 4 key elements: federal expenditures ("CNCS Share"), grantee expenditures ("Grantee Share"), program income, and other federal sources used to support the program ("Federal Funds Used as Match").

Ongoing Technical Assistance/Training: OneStar Program and Grants Officers are always available by phone and email to grantees, and are in constant communication with grantee staff to promptly address any issues or concerns. As funding allows, OneStar hosts additional trainings for grantees, such as Disability Inclusion Training or AmeriCorps Evaluation Institute.

NATIONAL SERVICE CRIMINAL HISTORY CHECKS

OneStar takes the prevention, detection, and enforcement of National Service Criminal History Checks (NSCHC) very seriously. We have heard clearly from the CNCS that the expectation is "on time, every time" and we pass this message on to our sub-grantees regularly. Below is a summary of OneStar procedures to ensure compliance of NSCHC regulations.

NSCHC – OneStar Procedures for ***Prevention***

In order to prevent the likelihood of programs conducting non-compliant criminal history checks, OneStar conducts the following prevention-focused activities:

Pre-Award Visits: During this visit, OneStar Program Officers specifically train sub-grantee staff on how to conduct a compliant National Service Criminal History Check (NSCHC).

Pre-Award Review: Each summer, as part of OneStar's annual Pre-Award Review process, Program Officers complete an in-depth review of all relevant program start up documents. Sub-grantees submit the following documents:

NSCHC Consent and Verification Form – template used by sub-grantee to document member and staff person consent to run checks, and verification that checks were run and documented. OneStar Program Officers will require the sub-grantee to edit the document if it does not include all requirements for documentation, including requirements specific to OneStar's Alternative Search Protocol (ASP).

Staff NSCHC Certification – document where the sub-grantee self-certifies that all required components of the National Service Criminal History Check are complete for all covered staff positions.

Staff NSCHC Review – OneStar Program Officer reviews NSCHCs for all staff on a planning grants. NOGAs are not released until the OneStar Program Officers have verified that compliant NSCHCs have been conducted.

NSCHC Policies and Procedures – Program Officer will review sub-grantee's NSCHC Policies and Procedures, using the NSCHC Policy and Procedure Checklist. Program Officer will require sub-grantee to edit policy and procedure if it does not include all requirements.

CNCS NSCHC eCourse – sub-grantees are required to submit eCourse certificate for at least one individual on staff. The eCourse must be completed annually.

New AmeriCorps Staff Orientation (NASO): During NASO, a two hour session on Criminal History Checks is covered, including step-by-step instructions on how to complete a compliant NSCHC.

Ongoing Training & Technical Assistance (TTA): OneStar sub-grantees also receive frequent, regular training and technical assistance coaching from OneStar staff related to NSCHCs. The topic of NSCHC Requirements and Alternative Search Protocols (ASPs) is a standing topic on the individual one-on-one calls every other month so sub-grantee staff are frequently being reminded of this important requirement. Additionally, OneStar holds an annual All-Grantee Meeting (typically in spring) that includes annual trainings related

to the National Service Criminal History Check requirements; this meeting is required attendance for all Primary Program and Fiscal Contacts.

*NSCHC – OneStar Procedures for **Detection***

In order to ensure swift detection of any compliance issues related to National Service Criminal History Checks, OneStar conducts the following detection-focused activities:

Desk Based File Review: Per OneStar's Monitoring Policy and Plan, OneStar Program Officers, conduct a file review of complete member files, member criminal history checks, and staff criminal history checks for the current and/or most recently completed year. If any compliance concerns arise as a result of the desk based review, these will be addressed in writing along with any clarification questions in the monitoring report.

Monitoring Visits: During formal monitoring visits, OneStar Program Officers conduct a Program Staff Interview with sub-grantee. This interview asks sub-grantee staff to walk through the sub-grantee's specific policy and procedures for criminal history checks.

On-Going Detection: OneStar Program Officers are ready to process any self-reported NSCHC issues by the sub-grantee.

If there are any components of the National Service Criminal History Check that are not compliant, or any results of the criminal history check that would render an individual ineligible to serve or work in a covered position, OneStar uses the CNCS Guidance for Risk Based Disallowance.

PROHIBITED ACTIVITIES

OneStar understands the importance of training sub-grantees on Prohibited Activities, and having robust systems in place to detect any issues of non-compliance.

*Prohibited Activities – Procedures for **Prevention***

In order to prevent the likelihood of AmeriCorps members from participating in prohibited activities, OneStar conducts the following prevention-focused activities:

Grant Review and Clarification: During annual grant review (New, Recompete, and Continuation), OneStar-trained grant reviewers specifically review all grant application narratives and proposed member activity descriptions for any concerning language or other red flags that may suggest the potential for prohibited activities. Secondly, grant reviewers specifically look for language in the grant application that mentions how the program will train AmeriCorps members and staff on the prohibited activities. If any red flags are detected, the applicant must go through additional clarification; if for any reason resolution of the concerns or questions was not reached, the grant application would not be considered for funding.

Pre-Award Visits: During this visit, the OneStar Program Officer discusses allowable member service activities and timekeeping to ensure prohibited activities are not conducted by members.

Pre-Award Review: The Sub-grantees submit their Member Service Agreements (MSAs) during this review, and are required to include the prohibited activities language. If the language in the MSA does not align exactly with the requirements, the Program Officer will require the sub-grantee to edit the document and resubmit it for approval. Secondly, the Program Officer also reviews each sub-grantee's proposed Member Position Descriptions to ensure they do not include any prohibited activities.

New AmeriCorps Staff Orientation (NASO): During NASO, the topic of prohibited activities is specifically discussed and explained to attendees for additional reinforcement.

Ongoing Training & Technical Assistance (TTA): OneStar sub-grantees also receive frequent, regular training and technical assistance coaching from OneStar staff, including required monthly conference calls. The topic of prohibited activities periodically comes up as a question from sub-grantee staff, and OneStar Program Officers are prepared to answer sub-grantee questions. Additionally, OneStar holds an annual All-Grantee Meeting (typically in spring) that includes annual reminders of and activities/discussions related to the prohibited activities requirements.

Prohibited Activities – Procedures for ***Detection***

In order to ensure swift detection of any compliance issues related to Prohibited Activities, OneStar conducts the following detection-focused activities:

Monitoring Visits: During formal monitoring visits, OneStar Program and Grants Officers conduct a 2 hour member interview with OneStar-selected focus group of 5-10 currently serving members. During this group interview, the Program and Grants Officers pass out a list of the prohibited activities and ask members the following question:

> "Take a minute to review the list of activities. Have you participated or been asked to participate in activities such as those on the list?" (Probe: Give a few examples of the types of activities that would be prohibited and ask if they've been involved in these.)

In addition to the member interview, OneStar staff conducts a 30-minute interview with at least 2 site supervisors. During the interviews, the Program and Grants Officers pass out a list of the prohibited activities and ask supervisors the following question:

> "How familiar are you with the kind of activities that are prohibited and what you therefore may not ask your members to do?"

In addition to the formal interviews, OneStar Program and Grants Officers carefully observe members and staff in action during the visit to determine potential implications with regards to prohibited activities requirements.

If any concerns arise as a result of the monitoring site visits and interviews, this will be addressed in writing along with any clarification questions in the monitoring report.

In addition to the member and site supervisor interview and observations, the Program Officer also conducts a Program Staff Interview with sub-grantee staff. This interview asks sub-grantee staff to walk through the sub-grantee's specific policies and procedures, including the sub-grantees policies and procedures for prohibited activities.

Annual Member Survey: The following questions are asked related to prohibited activities requirements:

Have you participated in or been asked to participate in any activities on the list while earning service or training hours?

Yes No Unsure

If you answered yes or unsure, please describe:

Have you ever been asked to participate in any service activities that made you uncomfortable or seemed inappropriate for your position?

Yes No Unsure

If you answered yes or unsure, please describe:

If any members answer "yes" to the questions above, OneStar Program Officers will contact the member directly if she/he provided contact information to find out more information. If the member response indicates the program was not following the prohibited activities requirements, it will be discussed with the program to determine if corrective action needs to occur. Secondly, the responses to the above questions are included in the individualized reports sent out to programs. OneStar Program Officers discuss the results with any programs who have responses above which indicate that members could have participated, or been asked to participate in prohibited activities.

On-Going Detection: On an on-going basis, the OneStar team carefully listens and observes during monthly calls, community events, trainings, and impact visits to detect if any prohibited activities occurring in the field.

*Prohibited Activities – Procedures for **Enforcement***

In order to handle and resolve any compliance issues related to prohibited activities, OneStar conducts rigorous enforcement activities in an escalated manner in accordance with OneStar Foundation Terms and Conditions ("Enforcement") and OneStar's Enforcement Policy & Matrix.

This additional documentation is available upon request but has not been included for the purposes of testimony before this Committee. For more information on OneStar's policies and procedures please contact Liz@onestarfoundation.org.

CONCLUSION

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee, thank you for inviting me to speak to you today. It is an honor to be included in the discussion of strengthening national service accountability through various mechanisms including risk assessments, monitoring, protocols for criminal history checks and other critical points of compliance. OneStar is grateful for the support and guidance offered by CNCS as it allows us to more effectively serve our programs in Texas. AmeriCorps and Senior Corps programs are making considerable impact in communities across this country. They truly are a powerful force for good.

Chairman GUTHRIE. Thank you for your testimony, Ms. Jeffrey, you are recognized 5 minutes to testify.

TESTIMONY OF THE HONORABLE DEBORAH JEFFREY, INSPECTOR GENERAL, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Ms. JEFFREY. Chairman Guthrie, Ranking Member Davis, Chairwoman Foxx, Ranking Member Scott, and members of the subcommittee, thank you for the opportunity to testify today about the Office of Inspector General's recommendations to strengthen grant oversight at CNCS.

The OIG is an independent and nonpartisan unit charged with preventing and detecting waste, fraud, and abuse, and improving the efficiency and effectiveness of CNCS and its programs.

My written statement describes the progress that CNCS has made since I last appeared before you 10 months ago. Today, I would like to describe significant challenges that remain. For the first time in my 5 years as inspector general, CNCS has the skilled leadership and experienced staff needed to make progress in the areas that have historically proven challenging.

Criminal history checking, identifying and reducing improper payments, and developing robust, risk-based grant management, rapid improvements in these areas are needed to compensate for years of inaction and ineffective action. The first longstanding challenge that CNCS must tackle is strengthening grant risk management. Currently, the corporation continues to operate under legacy grant oversight protocols that my office has consistently found to be flawed. It relies heavily on a risk model that has never been validated. OIG's preliminary analysis of grants with catastrophic outcomes found that half of them were rated as low or medium risk.

Our audits and investigations often uncover serious problems not anticipated by CNCS's risk assessment and we find that red flags were overlooked. CNCS has not done enough to learn from those bad outcomes.

The current risk model omits fraud risk, although OIG has uncovered significant frauds. A few months ago, for example, investigators reported that the CEO of a for-profit business used a shell nonprofit organization to obtain grant funds from CNCS, which were funneled back into the business through a management services agreement.

Ultimately, one-quarter of the RSVP program funds spent by the grantee were paid to the CEO's for-profit business. Not a single one of the promised 176 volunteers was ever brought on board and no services were provided to the community. Proper risk management could have anticipated this. Related party transactions and common control between a prospective grantee and a for-profit business are the kind of red flags that should trigger close scrutiny. CNCS has not implemented OIG recommendations on this subject and even after the events of last year, including the hearing before this subcommittee, CNCS has not properly addressed the risk of prohibited activities or implemented the majority of OIG's recommendations on that subject. As OIG has repeatedly recommended, CNCS must better understand and acknowledge its grant risks to achieve

a more granular assessment of risk broken into components. The agency also needs a cafeteria approach to monitoring, developing a menu of oversight activities that are tailored to particular risks where financial risks predominate. Grant officers and not program officers should perform the relevant monitoring.

Keeping our communities safe from harm is another urgent challenge. Congress wisely mandated specific criminal history checks to prevent convicted murderers and sex offenders from using CNCS programs to gain access to at-risk individuals. Far too many grantees do not conduct these background checks timely and thoroughly.

Last year, depending on the program, 22 to 41 percent of individuals paid through CNCS grants served without complete and timely criminal history checks. The risk is real and immediate. Last week, OIG learned that a three-time convicted sex offender served for more than a year in the

senior companion program where he visited elderly individuals in their homes.

Several years ago, an audit discovered a murderer and a sex offender working on a social innovation fund grant. CNCS has not enforced these requirements effectively. The nominal fines for compliance are too low to create proper incentives and may actually backfire.

Over a 6-month period, we determined that fines average less than 1 percent of the funds awarded by CNCS. That's a small cost of doing business, not an effective sanction for recklessness.

Mr. Chairman, this concludes my statement and I would be pleased to answer the subcommittee's questions.

[The statement of Ms. Jeffrey follows:]

Statement of Deborah J. Jeffrey, Inspector General
Corporation for National and Community Service

before the United States House of Representatives
Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Development

March 28, 2017

Chairman Guthrie, Ranking Member Davis, and Members of the Subcommittee:

Thank you for the opportunity to testify today about the work of the Office of Inspector General (CNCS-OIG) to strengthen grant oversight and accountability at the Corporation for National and Community Service (CNCS or the Corporation). As you know, the OIG is an independent and nonpartisan unit charged with detecting and preventing waste, fraud and abuse and improving the efficiency and effectiveness of CNCS and its programs. I have had the privilege of serving as the Inspector General for nearly five years.

Grant-making is CNCS's core activity, and grants account for three-quarters of the Corporation's annual budget of $1 billion. At any given time, CNCS must oversee more than 2,100 active grants, ranging in size from $40,000 to $10 million, in seven programs that operate throughout the United States, its Territories and Indian Tribes. Grantees include well established national nonprofits, such as the Red Cross, major research universities, State and local governments and small community-based organizations that depend on CNCS for the majority of their funding. Not surprisingly, these grantees vary greatly in their capabilities, experience and infrastructure. All of this presents challenges for grant oversight.

Today, I would like to update the Subcommittee on developments in CNCS's grant oversight since my last appearance. In addition, my testimony will describe the significant challenges that remain and explain how CNCS can meet them.

Positive Developments

of the Chief Risk Officer. Over the past four years, CNCS-OIG warned repeatedly that CNCS lacked the skilled leadership and experienced staff needed to

Standing up the Office strengthen internal controls and risk management, and that these critical areas were severely under-resourced. The past year has seen dramatic improvements in this area. In April 2016, CNCS created the Office of the Chief Risk Officer (OCRO) at the executive level and hired my co-panelist, Lori Giblin, an experienced risk management professional, as its leader. OCRO is now responsible for areas that have historically proven challenging for CNCS: criminal history checking, identifying and reducing

improper payments, improving grant risk management, introducing Enterprise Risk Management to CNCS, and the testing and improvement of internal controls.

Based on her needs assessment, the Office of the Chief Risk Officer now employs 17 staff members, with additional funds available to engage contractors, to support the rapid improvements that CNCS's leadership now recognize to be necessary. The oversight of this Subcommittee, statements accompanying appropriations bills in the House and Senate and the support of the Office of Management and Budget (OMB) were essential in persuading CNCS to devote this level of support to OCRO.

Strengthening the Office of Grants Management. The Office of Grants Management (OGM) provides critical financial oversight of grants and is responsible for recovering misspent funds. CNCS-OIG has seen both cultural changes and increased capacity in this area.

Bringing in leaders with substantial grant management expertise from other Federal agencies has created a more business-like and rigorous approach to financial accountability. OIG has observed greater willingness to hold grantees to grant terms and conditions, disallow improperly incurred costs and recover the funds promptly.

CNCS has expanded the capacity of OGM by 43 percent, restoring staffing to the level needed for effective oversight. To cite one example, CNCS-OIG reported in 2016 that, although the Social Innovation Fund (SIF) had made grants then totaling some $241 million, its entire grant portfolio was overseen by a single senior grant officer, who also had other supervisory responsibilities. CNCS now devotes three grant officers to oversight of the SIF.

OGM's increased capacity has produced immediate results. OGM has eliminated its backlog of management decisions and corrective actions on OIG audits and investigations. Increasing the timeliness of corrective actions and collection of disallowed costs improves accountability and reduces the vulnerability of particular grants. The expectations and messaging communicated by OGM to grantees support strong accountability.

More sophisticated approach to internal controls. Under OCRO's leadership, CNCS has assessed risk across 19 business processes and are beginning meaningful compliance testing in the areas determined to be high-risk. These include procurement, purchase and travel cards and accounts receivable. This represents significant progress in an area repeatedly found to be weak in the Corporation's prior annual financial statement audits.

Stronger cybersecurity. For years, our audits found significant deficiencies in the security of CNCS's information technology sysems. Over the last 18 months, the Corporation invested heavily in this area, and our 2016 cybersecurity audit reported substantial improvements. We no longer consider CNCS's IT security to be significantly deficient, and CNCS was not required to report a material weakness in cybersecurity in its annual report.

Though further work is needed to achieve full effectiveness, the progress in cybersecurity shows that CNCS can leap forward when it focuses its efforts.

Continuing Management Challenges

Strengthening grant risk management. To manage its extensive grant portfolio effectively and efficiently, CNCS must develop and implement risk-based grant management. This is the most critical challenge confronting the Corporation and is the single most important recommendation of CNCS-OIG that CNCS has not yet implemented.

Instead, CNCS continues to operate today under most of the same monitoring protocols that my Office has found to be poorly designed and implemented. For example, routine grant monitoring failed to detect:

- **Fraud** – Leaders of the national service program in American Samoa used national service funds to entertain themselves with lavish personal travel. They also bilked the taxpayers by charging inflated rents for broken down shacks owned by family members and falsely claiming that national service programs were operating from those locations. CNCS personnel conducted site visits annually while these frauds were occurring, but never discovered them.

  A community college claimed that its students were performing $4 million worth of community service when those students were merely completing the classroom study and clinical work required for their degrees. The $4 million expenditure provided no net benefit to the community.

  Perhaps it is not surprising that CNCS's grant monitoring does not discover such frauds, because the monitoring protocols contain few, if any, fraud prevention and detection measures. Until recently, leaders did not acknowledge that the Corporation's programs are subject to fraud risk and therefore did not identify, assess and mitigate those risks.

- **Widespread inadequacies grantees' performance of statutorily required criminal history checks intended to exclude murderers and sex offenders from national service** – According to the Office of the Chief Risk Officer, between 22 and 41 percent of grantees do not conduct thorough and timely criminal history checks, potentially jeopardizing the safety of the communities served by CNCS programs.

  This risk is more than theoretical. Last week, my Office learned that a volunteer who had been convicted of three sex offenses served for more than one year in the Senior Companion Program, which works with the elderly in their homes. In 2013, we found a murderer and a sex offender working on a subgrant funded through the Social Innovation Fund. Instead of removing them when it learned of their criminal histories, the subgrantee allowed them to continue to work on the grant-funded program but paid their compensation with other funds. CNCS-OIG discovered this in an audit. On

the other hand, careful compliance by an AmeriCorps grantee last year enabled the organization to exclude a convicted sex offender shortly after he began serving.

At one Senior Corps grantee, investigators discovered that more than 120 individuals were serving without proper criminal history checks.

CNCS is doing more to find noncompliance and enforce the rules, but, as I discuss later in this statement, the problem is far from solved.

- **Prohibited activities** – CNCS rarely learns of prohibited activities[1] through its routine grant monitoring. Instead, the information typically comes from self-reporting by a grantee, a whistleblower call to the OIG hotline, or discovery in the course of investigating other allegations. As I testified ten months ago, CNCS does not currently identify grantees that are at risk of specific prohibited activities, nor does it have appropriate techniques to monitor those grantees' compliance.[2]

  Last year's hearing arose from an investigation that found a major grantee to have allowed a subgrantee to violate the prohibition on using AmeriCorps resources for "abortion services or referrals for the receipt of such services." 42 U.S.C. § 12584a(a)(9). CNCS-OIG recommended that CNCS explain clearly, definitively and transparently how it will interpret and apply this prohibition. Without such an explanation, program officers may provide incorrect and inconsistent direction to grantees, who remain unnecessarily at risk of violating the law, with severe consequences.

  In December 2016, CNCS's Office of General Counsel (OGC) prepared a written analysis of the abortion prohibitions. This is the first time that CNCS has reduced to writing an explanation of the restrictions and how they are to be applied.

  In other respects, however, CNCS has not implemented CNCS-OIG's recommendations.[3] OGC's advice was not transparent and has not been released to the general public. The AmeriCorps program has not translated the legal analysis into practical guidance for grantees, members and program officers. CNCS has not determined whether non-healthcare grantees may also present a heightened risk of abortion-related prohibited activities. Both logic and experience indicate that

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[1] The national service laws forbid the use of national service resources for eleven categories of activity, including legislative advocacy; partisan and political activity; religious study, worship and proselytizing; strikes, boycotts and protests; pro- or anti-union organizing; abortion services and referrals; and supporting a for-profit business or organization. 42 U.S.C. § 12584a.

[2] For more detail, see *Special Review: Prohibited Activities: Missed Opportunities, Red Flags Ignored and Next Steps to Improve Grants Management at CNCS* (Dec. 21, 2016) at https://www.cncsoig.gov/sites/default/files/nachc_missed_opportunities.pdf.

[3] CNCS also needs to determine which of its grantees present a heightened risk of other prohibited activities. Faith-based groups, for example, face a higher risk of religious worship, study or proselytizing than do secular groups. 42 U.S.C. § 12584a(a)(7). Grantees associated with for-profit entities are more likely to run afoul of the prohibition on providing a direct benefit to such an organization. 42 U.S.C. § 12584a(a)(8)(A). CNCS has not implemented our recommendation to conduct such a risk analysis.

grantees serving children and youth and those serving immigrant populations are also points of contact for girls and women facing crisis pregnancies.

CNCS also needs to develop better methods of detecting prohibited activities when they occur. Currently, CNCS monitors for prohibited activities by interviewing members during site visits. But those site visits may occur only once every six years, and they include only a fraction of subgrantees and service sites. CNCS has not implemented CNCS-OIG's recommendation to develop surveys that will enable more frequent contact with members.

The shortcomings in CNCS's approach to prohibited activities illustrate the need for a disciplined, risk-based approach to all aspects of grant making, management and monitoring. There is a significant opportunity to improve stewardship, cost-effectiveness and results by strengthening the way that CNCS ***assesses*** grant risk and the way that it ***monitors and manages*** those risks.

Currently, CNCS decides annually which grants it will monitor closely by assessing each grant according to a uniform set of 19 criteria, which it treats as risk indicators. It uses the same criteria across the entire agency, despite critical differences among CNCS programs and grant vehicles that bear directly on risk. The model omits significant risks identified in CNCS-OIG audits and investigations, and it includes no fraud indicators. (No one currently at CNCS can explain how the criteria were selected or why they are weighted as they now are.) CNCS uses this model to calculate a single risk score; a grantee that scores in the "high" range typically receives a site visit from a program officer, who goes through standardized steps prescribed by a "monitoring tool."

As I told the Subcommittee 10 months ago, CNCS relies heavily on this model, but has never validated it against outcomes. The entire grant monitoring program still rests on assumptions that are untested. CNCS-OIG audits and investigations often uncover major problems at grantees that the Corporation rated as low or medium risk and therefore did not scrutinize closely. To take one example, a grantee rated as low-to-medium risk ceased operations and went bankrupt during the grant, owing CNCS over $1 million. A preliminary analysis by CNCS-OIG of grants with catastrophic outcomes—filing for bankruptcy during a grant, ceasing operations mid-grant, or CNCS terminating the grant for cause—showed that half were rated as low or medium risk. A risk model that fails to warn of an impending catastrophe 50 percent of the time isn't much good. CNCS has operated under this risk model for about ten years, with only modest tweaks along the way.

Now that CNCS has an experienced Chief Risk Officer, supported by a robust staff and budget, it has the capacity to develop a more granular approach to risk. Doing so will enable CNCS to direct its limited resources (grant funds and staff attention) where they will have the greatest impact. Achieving risk-based grant management will require the following steps:

1. Identifying the risks associated with various kinds of grants and grantees, including fraud risk. Key question: what events or factors could impact performance, compliance and financial management of a grant?;

2. Developing indicators that align to those risks. Key question: how could CNCS know whether those events and factors are likely to exist?;

3. Assessing the individual risks presented by each grantee. Key question: what is the likelihood and potential impact of each of these risks?

4. Mitigating risks. Key question: what could CNCS or the grantee do to reduce the likelihood that a risk will materialize or its impact?; and

5. Developing oversight activities suited to particular risks. Key question: what is the most cost-effective way to monitor for the risk in question?

The resulting risk model should inform every aspect of grant management throughout the grant lifecycle, including the information elicited in grant applications, whether to impose special conditions on a particular grant and selecting the appropriate monitoring activities.

Risk does not exist in the abstract; when we say that a grantee is high-risk, it is at high risk of *something*, a particular failure, problem or bad outcome. By breaking grant risk into its component parts—financial, programmatic, compliance, etc.—CNCS can target its monitoring on the specific component or activity within a grantee that is high-risk. A grantee that presents a significant financial risk needs to be monitored for that risk, even it is low-risk in other respects. This would represent a significant improvement over the current single risk score and site visit approach, which is both underinclusive and overly broad: (1) underinclusive in that a grantee may present a high financial risk but escape monitoring if its overall risk score falls into the low or medium range; and (2) overly broad because a grant that scores in the high range will undergo the full range of site visit monitoring activities, even those that address risks that are *de minimis* for the particular grantee. Breaking grant risk into its component parts will make CNCS's monitoring more precise and effective and less wasteful.

Risk-based grant management may also require changes to the CNCS's workforce and organizational structure. The type of risk presented should dictate who performs the monitoring. Where financial risks predominate, grant officers, who have extensive financial training, should conduct the necessary monitoring. Similarly, better risk assessments and risk-based monitoring may make it unnecessary for CNCS to maintain an office in every state to oversee Senior Corps grantees. Converting the smallest CNCS grants[4] to a fixed-amount basis would simplify financial administration for the grantees and reduce the amount of oversight needed.

[4] RSVP grants average $75,000. Though the Senior Companion Program and the Foster Grandparent Program grants average more, $200,000 and $300,000, respectively, both programs award a number of small grants.

CNCS should also monitor by grantee, rather than by grant, as it now does. An increasing number of grantees participate in multiple CNCS programs, and those programs should be pooling information about grant risks. In 2013, VISTA made an award to a grantee one day after AmeriCorps terminated its relationship with the same grantee, because it refused to cooperate with corrective actions arising from a monitoring visit. The grants management database is not readily searchable by grantee, only by grant, so VISTA had no practical way to know that AmeriCorps found this grantee uncooperative.

Strong risk management also requires a culture of continuous improvement. CNCS should institutionalize a structured process to determine the root causes of bad outcomes, including how they could have been prevented or detected sooner. Doing so would help to identify systemic gaps, develop new risk mitigation options and address human error appropriately. A good after-action analysis creates an opportunity to learn from mistakes and to use that knowledge to refine risk assessment and monitoring, to prevent errors from recurring.

Criminal history checking. Ensuring the safety of the communities served by CNCS programs should be among the highest priorities of agency leaders. This requires that CNCS and its grantees prevent dangerous persons from exploiting grant-funded programs to gain access to at-risk individuals. Predators can do incalculable harm, and we know that many of them seek out opportunities to interact with vulnerable persons and may conceal their identities in order to do so. Vigilance in screening national service participants and staff is a moral, as well as a legal, imperative.

Mindful of these risks, Congress mandated in the Edward M. Kennedy Serve America Act of 2009 (the Serve America Act) that grantees exclude murderers and sex offenders from national service, prescribing specific sources that must be checked.[5] For members or grant-funded staff that work with vulnerable populations—children and youth, the elderly or persons with disabilities—the grantee must check the National Sex Offender Public Website (NSOPW), the criminal history repository of the state in which the individual resides and the state in which s/he will serve, and secure a fingerprint-based from the Federal Bureau of Investigation (FBI). CNCS requires that the NSOPW check be *completed* before the member or staff begins service; the other checks must be *initiated* at that time, and the individual may not be alone with a member of a vulnerable population until the grantee receives results establishing that the individual has no disqualifying criminal history.

Many grantees have difficulty performing the required criminal history checks (CHCs). Audits and investigations conducted by CNCS-OIG have consistently found high rates of noncompliance. Until recently, CNCS treated them as outliers and did not recognize the pervasiveness of failure to timely screen members and staff. As I mentioned earlier in my testimony, CNCS's monitoring did not uncover the severity of this problem. Since 2014, CNCS

[5] An individual may not serve in a national service position if s/he was convicted of murder; is a registered or registerable sex offender; refuses to undergo a criminal history check; or makes a false statement in connection with a criminal history check.

has taken a number of steps to increase compliance with this important safety measure, with limited success. In 2016, the Chief Risk Officer found that noncompliance in CNCS-funded grants ranged from 22 percent (AmeriCorps State and National) to 41 percent (RSVP). These numbers are consistent with CNCS's FY 2016 statistical analysis of improper payments.

In the past year or so CNCS has begun to enforce these requirements consistently, but its enforcement approach remains flawed. Enforcement has onsisted principally of small fines, as low as $250 for a partial or grossly untimely check and $750 enrolling a member without any background check. These amounts befit a minor regulatory infraction—parking on private property carries a $250 ticket in the District of Columbia—and trivialize the grave harm that would result if a predator were to gain access to an at-risk individual in a CNCS program. Our review of penalties for a six-month period in 2016 found that the median sanction was only $1,500, on average less than one percent of the funding that the grantee received from CNCS. These nominal amounts undermine CNCS's messaging that criminal history checking must be a priority.[6] CNCS has just announced its intention to double these fines beginning next month, but they will remain so low that a grantee might reasonably dismiss them as a small cost of doing business.

CNCS needs a better solution than expecting 2100 grantees, who experience frequent staff turnover, to check the criminal histories of tens of thousands of people each year. Given the widespread difficulties, and the resources that CNCS must now devote to CHC compliance and the related testing and recovery of improper payments, CNCS-OIG has urged CNCS to explore outsourcing criminal history checking to a vendor or vendors capable of performing the required CHCs. Doing so could radically improve compliance, relieve grantees of task that they do not perform well and enable CNCS to monitor compliance by direct contact with the vendor(s), far less burdensome than overseeing individual grantees. CNCS has agreed and charged OCRO with this responsibility. At our suggestion, the Chief Risk Officer has contacted the National Center for Missing and Exploited Children, which provided similar services to nonprofits for a number of years. The necessary contract action will take time, but it offers the best prospect we have seen to resolve this issue once and for all.

Information Technology Modernization. Following a study confirming that its legacy information technology (IT) does not support robust oversight or operating needs, CNCS has undertaken a multi-year effort to upgrade the capabilities of its grants management database and systems. Successful completion of this modernization can greatly improve the effectiveness and efficiency of grant oversight. The effort is expected to cost approximately $43 million and is by far the largest IT investment since the creation of CNCS. To date, the project has cost $19 million, and CNCS may spend an additional $6 - $7 million by the end of the current fiscal year.

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[6] The risk of incurring any fine is small because most noncompliance goes undetected; CNCS visits only a fraction of its grantees in any given year and does not directly monitor subgrants. The sanctions are also disproportionately small relative to the cost disallowances by which CNCS routinely enforces non-safety-related regulatory requirements, such as timekeeping, expense recording and fundraising for match.

The modernization effort began in FY 2014 and consists of three phases:

- Grants Management (Phase 1): Standing up a highly configurable platform to integrate the entire grant lifecycle (grants planning through the Notice of Funding Availability, review of grant applications, grant funding packet routing, grantee reporting, recording monitoring results and grant closeout) into a single data system. This should facilitate seamless use of grant risk information throughout the entire lifetime of a grant.

- Member Management (Phase 2): This component includes member recruitment and acceptance, onboarding and off-boarding, training and orientation, member travel and member payroll management, as well as management of education awards from the National Service Trust.

- Performance Measures and Analytics (Phase 3): Key projects include performance measures, data analytics, new mobile applications and services, as well as customer contact relationship management.

Phase 1 is scheduled for release in October 2017, to be preceded by training for staff. No release dates or target completion dates have been established for Phases 2 and 3. Until completion of Phase 3, CNCS will remain unable to automate routine monitoring tasks, benchmark and perform other comparisons necessary for robust grant risk oversight.

CNCS's original intent was to design the new grant management database and system in tandem with developing a new risk model, a task that CNCS put aside in FY 2015 for lack of in-house capability. Consequently, these closely related efforts are not on parallel tracks, and the Office of Information Technology (OIT) does not have the new risk model to inform its development of the grant management system. OCRO and OIT have only recently begun to collaborate. Although the new system is intended to be flexible, CNCS may incur future delays and expenses in order to tailor the database to new risk management requirements.

IT acquisition/development is inherently a high-risk area, with a high rate of failure.[7] The General Accountability Office (GAO) is currently conducting a study of CNCS's IT modernization project. We do not know when it will be completed.

Let me end by saying how much I and my staff appreciate the Committee's interest in improving CNCS's grant oversight and your support of our work. Mr. Chairman, that concludes my prepared testimony. I would be pleased to answer any questions.

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[7] According to GAO, "federal IT investments too frequently fail or incur cost overruns and schedule slippages while contributing little to mission-related outcomes." Such projects often "lack [] disciplined and effective management, such as project planning, requirements definition, and program oversight and governance" and because the agency "ha[s] not consistently applied best practices that are critical to successfully acquiring IT investments. http://www.gao.gov/highrisk/improving_management_it_acquisitions_operations/why_did_study

Chairman GUTHRIE. Thank you for your testimony. The testimony is concluded. We will move into members' questions. And first, I will recognize the chairwoman of the full committee, Chairwoman Dr. Foxx, for 5 minutes for questions.

Mrs. FOXX. Thank you, Mr. Chairman, and I want to thank our witnesses for being here today and providing their testimony. This is an area that I have a great deal of interest in.

Ms. Bawden, in summary, your report seems to indicate the corporation does not monitor the most at-risk grantees and does not have a staff properly deployed or educated to ensure that it is conducting oversight monitoring to find and deter fraud and misuse of public funds. Did I get that right or would you characterize it another way?

Ms. BAWDEN. Thank you. Generally, that is correct. What GAO found is that the process the corporation uses to assess grants and prioritize them for monitoring does not necessarily result in the highest risk grants receiving the highest priority for monitoring.

Mrs. FOXX. Why is it concerning the corporation does not even know what grantees truly pose a risk?

Ms. BAWDEN. The corporation has limited resources to conduct monitoring and it's essential that it focus those resources on the grants of highest risk.

Mrs. FOXX. Thank you. One more question. In your report, you found the corporation's grant-monitoring process is not fully aligned with the internal controls for identifying, analyzing, and responding to risk. Given this finding, can you be fully confident that the corporation administers the 750 million in grants in full compliance with the law?

Ms. BAWDEN. No, I can't be fully confident of that and the recommendations that we made are addressed to the corporation in the hopes that they will move in that direction.

Mrs. FOXX. Thank you. Ms. Giblin, in its fiscal year 2017 Management Challenges report, the OIG listed reducing improper payments as a management challenge. In this context, challenge seems to mean a significant problem of the corporation. The OIG reports that according to your own sampling, the improper payment rates for the three SeniorCorps programs are extraordinarily high. In fact, your sampling found the rate of improper payments to be 34 percent in the foster grandparent program, 23 percent in the retired seniors volunteer program, and 33 percent in the senior companion program, fiscal year 2016. Together this represents improper payments of $47 million or 30 percent of the SeniorCorps spending. Even worse, this is only the three SeniorCorps programs. You could not even estimate the rate of improper payments for the AmeriCorps State and national program, a much larger program. This is not a management challenge, but a management failure.

Why should Congress and the taxpayers continue to provide funds for grants when a third or more of those funds are improperly disbursed?

Ms. GIBLIN. Thank you for that question and I share your concerns. I have been working closely with the Office of Management and Budget as well as other Federal agencies to identify a testing mechanism, a methodology that will ensure that we can report

with confidence to this body and to senior management on the rate of improper payment for our programs.

I have been working with Federal agencies to identify best practices and driving down noncompliance. And my office is charged with all five aspects of risk management, including both the Improper Payments Program and the CHC Program, so that we can work in an integrated fashion to ensure that we are addressing the roots of noncompliance and working with our grantees to ensure that they have the tools necessary to effectively administer their programs.

Mrs. FOXX. Thank you. Mr. Chairman and our ranking member, I will tell you, every time I come here and I am asked to spend money, I tell people I think about the hardworking taxpayers in my district who work very, very hard, play by the rules and give up their money to the Federal Government to provide for programs where they think we are going to make life better.

This kind of fraud and abuse is not a good use of hardworking taxpayer dollars. And you know, I think the first thing we have to do is get rid of the word "volunteer." You know, people making $29,000 a year are not volunteers. They are being paid, and so I think the very first thing we need to do is acknowledge the fact that these are not volunteers. And I have great respect for the ranking member, but I will tell you we should not waste a dime of hardworking taxpayer dollars and to excuse this kind of abuse and fraud is unconscionable. It is just unconscionable. Thank you, Mr. Chairman.

Chairman GUTHRIE. I thank you for yielding back and the chair recognizes the ranking member, Mr. Scott, for 5 minutes for questions.

Mr. SCOTT. Thank you, Mr. Chairman, Ranking Member Davis, and I would like to thank the witnesses for being with us today to testify about the benefits to our Nation from the Corporation of National and Community Services. Last year, 325,000 Americans serving through AmeriCorps and SeniorCorps invested 155 million hours of service to their communities in more than 50,000 locations across the Nation.

In my district alone, over a million dollars in funding from CNCS and matching contributions supported 253 AmeriCorps and SeniorCorps members, supporting programs like the Virginia Peninsula Boys and Girls Club, which inspires and enables youth to realize their full potential. Four of these clubs are strategically located in public housing developments. The larger benefits of the AmeriCorps experience greatly exceeds its cost. In our corps member surveys, 79 percent of corps alumni say that their service was a defining professional experience. Fifty-nine percent of hiring managers believe that AmeriCorps alumni have the soft skills difficult to find in traditional job applicants for job openings, and more than 450 companies, including Disney, CSX, and Comcast, are prioritizing national service alumni in their hiring.

An empirical study published by the Journal of Policy Analysis and Management found that AmeriCorps participants increased its members' civic engagement, connection to communities other than their own, and knowledge about the problem facing the community. Older participants who are not at the beginning of their careers,

the report cites gains in health, self-esteem, life satisfaction, financial help, and civic capital resources. All these benefits I mentioned are reasons why there is a positive cost-benefit ratio of AmeriCorps to public benefit for every dollar invested.

We have talked about one example of 10 hours that has been found to have been misspent and you have to put that in the context of 155 million hours at 1 percent of 1 percent of 155 million. One percent of 1 percent is over 15,000, so that's not enough to call a hearing over.

I would like to ask Ms. Darling, first of all, how sequestration has affected your ability to provide grants to eligible responsible applicants?

Ms. DARLING. Thank you for that question, Congressman. When we see reduced funding, we may not be able to fund the same number of AmeriCorps positions that we had previously or we may also take—we may have limitations in some of the program dynamics and scope. We try to make sure that we hold the members in the programs harmless as much as we can when there is indeed a cut.

Mr. SCOTT. And have you done an evaluation of the value on services for every dollar invested in the program? Because you are dealing with the volunteers and matching funds for every dollar invested in the program, do you know how much of a service is accomplished?

Ms. DARLING. For each of our programs, there is a requirement for evaluation and that is commensurate with the level of funding that they receive. We are in—we just started an evaluation institute in Texas to teach our grantees how to evaluate the impact of their programs and calculate that return on investment for us, for a $14 million investment in our portfolio, over 31 million in matching and in-kind funds, and that is separate from the number of hours that they serve.

Mr. SCOTT. Thank you. Ms. Jeffrey, you mentioned a fraudulent scheme where money ended up in a private account. What has happened to the individuals involved?

Ms. JEFFREY. The individual and the organizations have been debarred and CNCS has made a demand for return of the funds.

Mr. SCOTT. Were any criminal charges filed?

Ms. JEFFREY. They were not. I believe it was because the amount did not accord with the prosecution thresholds in the particular jurisdiction.

Mr. SCOTT. How much money was fraudulently diverted?

Ms. JEFFREY. It was about $20,000. The total grant was $131,000.

Mr. SCOTT. The way you described it, it appeared to be intentionally stealing the money and no criminal charges were filed?

Ms. JEFFREY. That is often the case, that prosecutors elect not to file criminal charges, even when they have strong evidence of fraud, because they are too busy, they have other priorities.

Mr. SCOTT. Mr. Chairman.

Chairman GUTHRIE. Thank you for yielding back and I recognize myself for 5 minutes to ask questions.

First, to follow up what Mr. Scott said for Ms. Bawden, we are talking about whether money is important. So your report raises the question about whether the corporation has determined wheth-

er the corporation has the right people and resources in the right place to effectively monitor grantees' compliance with the law.

Some people may argue the corporation needs more money, more staff to improve their monitoring, but your report seems to indicate that this is not about funding. Is that your opinion?

Ms. BAWDEN. From GAO's perspective, the question about funding is a little bit premature. It's essential that the corporation first take steps to understand exactly what staff resources they would need to effectively oversee and monitor grants as well as sort of how the workload should be broken down across their programs. That question needs to be answered first before we can think about funding.

Chairman GUTHRIE. Okay, thank you. And Ms. Giblin, the GAO report concludes the corporation's protocols do not lead to appropriate oversight of subgrantees. In fact, this subcommittee has held a few hearings over the last few years on problems with subgrantees and I believe those hearings always highlighted the challenges the corporation has in effectively monitoring for compliance with the law.

Your report released just last week demonstrates monitoring of subgrantees' compliance with the law continues to be a weakness for the corporation. Taxpayers continue to see their money spent inappropriately. Can you give us a timeline when you would expect you could come back before this committee and tell us if all these challenges are truly behind you?

Ms. GIBLIN. Thank you for that question. First, I'd like to say that CNCS, like other Federal grant programs, complies with the laws and the regulations governing oversight and monitoring in that we provide monitoring over the direct grant funds that we provide to grantees.

In addition, we work closely with those grantees, especially if they are forwarding those funds to sub-recipients, to ensure that their monitoring tools are effective and efficient. We are working over the coming year to incorporate many of the GAO recommendations to ensure that we have a more robust risk analysis that incorporates all four aspects of basic risk category and we'll ensure that we complete this work within the next 12 months.

Chairman GUTHRIE. Thank you. So within the next 12 months. Ms. Jeffrey, the corporation oversees $750 million in taxpayer funds to support multiyear grants in several different programs that provide funding to more than 346,000 participants.

The GAO report notes the process the corporation takes to assist their grantees creates "vulnerabilities for the corporation in its ability to meet Federal standards for internal control with respect to risk assessment, control activities, and monitoring principles."

In thinking about this and your previous work looking at the corporation, can you tell us whether you believe that taxpayers' money is appropriately safeguarded and used within the requirements of the law?

Ms. JEFFREY. As Acting Director Bawden stated a moment ago, I think there are serious vulnerabilities. The corporation does not have in place good systems and good mechanisms to ensure that taxpayer dollars are used appropriately and that funds are safe-

guarded, but the entire notion of a risk-based grant-monitoring program is intended to improve that.

Right now, the corporation is too reliant on the honor system and that's just not an effective internal control.

Chairman GUTHRIE. Thank you. And I have completed the questions I had prepared, so I will yield back and I will recognize Ms. Davis 5 minutes for questions. Ranking Member.

Mrs. DAVIS. Thank you, Mr. Chairman and Inspector General Jeffrey. If I could follow up with that because I think we obviously are seeing the chief risk officer, who has spoken here, as well as other changes based on the recommendation. So I wonder if you could—I heard what you just said, but I am wondering, are they on a path that you believe is going to address these concerns and what other specific recommendations would you give?

Ms. JEFFREY. For the first time that I've seen, I think the corporation has built for itself the capacity to tackle these challenges, the capacity to review the way in which it monitors, to understand its risks, to create monitoring that will truly target those risks in an efficient fashion.

That may require a different workforce. It may require a different structure to some of the programs and the matter in which they are overseen. I think they are at the very beginning of the right path.

Mrs. DAVIS. If you look at the funding and the possibility that funding could be cut fairly dramatically, if not all together, I am wondering when you talk about the people who are overseeing this, is it the level of education, the skillset? Is it the idea? And I am looking at our panel and I am delighted to see that so many women are involved in this, but I also know sometimes that there is a sense that there are volunteers in some people's eyes, perhaps, the level of—their work product is not something that we would see necessarily at a corporate level and yet it sounds like it should be. So where is that issue? And is it, in some ways, it is then a matter of funding and the ability to hire the very best in order to make this work and to acknowledge the role that the great, great percentage of people are contributing to their communities?

Ms. JEFFREY. In a resource constrained environment, an agency needs to work smarter. There is a limit to how much harder you can expect people to work, but they can work smarter.

CNCS, as it currently monitors risks, doesn't concentrate its resources where the strongest risks are. I think it needs to understand that and make decisions about what risks it wants to focus on and how best to monitor them to make the greatest possible use of its existing staff. Some of that may require reconfiguring the workforce or building different skillsets, but I don't think it's the size of the staff that is the barrier here.

Mrs. DAVIS. Not size, but perhaps the ability to work in that environment. And, Ms. Giblin, could you speak to that as well in terms of resources and, again, what we are looking for in terms of the individuals who are heading up those kinds of organizations?

Ms. GIBLIN. Well, first, let me share with you that with regard to resources, the CNCS management team has made a concerted commitment to risk management at the organization ensuring that

I have the resources that I need to effectively manage the risk and the five components that we oversee.

In addition to the staff that we've been able to hire, we are expediting our reviews in the most critical areas, by augmenting with industry leaders in the areas of internal controls and grant risk assessment. But I agree that internal controls in any organization need to be both effective and efficient, and efficiency is what should drive the work in an organization that has limited resources. And I look to partner and employ the recommendations provided by GAO to ensure that we were able to do that.

Mrs. DAVIS. Maybe, Ms. Darling, could you just respond to that as well because obviously you are in a position that really sees a great deal and knows how things are working?

Ms. DARLING. I think managing these large programs is a challenge and I think it's not a matter of who is exactly at the helm, but the skillset that each leader has. Organizational effectiveness is all about, I think, structuring the right people in the right positions in order to leverage a workforce that has limited resources.

At OneStar Foundation, we have made a choice to limit the number of grantees that we have. We may grow our programs, but we only have 26 programs, but more boots on the ground so that our grants and program officers will have a set number of monitors and monitoring and risk assessments to make. So that's one way that we make sure we are using our limited resources effectively.

Mrs. DAVIS. Thank you. And I think I was hearing from everyone that you believe that it is very important to manage those risks, but that there is great benefit as well?

Ms. DARLING. Oh, absolutely.

Mrs. DAVIS. Thank you.

Ms. DARLING. Thank you.

Chairman GUTHRIE. Thank you. The gentlelady yields back. There is a competing meeting going on with some Republican members, so if it's okay with you, we can go out of order and to recognize Mr. Courtney since we have kind of an imbalance on this. So Mr. Courtney, you are recognized for 5 minutes.

Mr. COURTNEY. Thank you, Mr. Chairman, and I appreciate again your courtesy. And I would like to just say that I know the chairman; we have served together for a number of years. And, you know, the focus of the hearing today, which is about trying to make this program operate better. I think you would have total, 1000 percent support on both sides of the aisle that we need to come up with, whether it is legislative initiatives or again, the oversight function as a way of trying to make sure that these dollars are spent appropriately. But, obviously, we are in a different setting here today, which is we have a budget which we submitted today, the Skinny Budget, so called, for 2018, which proposes to just completely obliterate AmeriCorps. And so I have wanted to spend my 5 minutes just to focus a little bit in terms of just another perspective, which, again, is a picture that I put up, which is of a SeniorCorps program, again, organized through AmeriCorps up in Eastern Connecticut, which is a veterans coffeehouse program.

Again, the SeniorCorps program has organized three different locations. It is the most sort of sparsely populated part of Con-

necticut. And as the picture shows, we have got a great contingent up in Norwich, Connecticut, which, again, meets on a regular basis.

Again, it is an opportunity, first of all, to socialize because there is a lot of social isolation issues which, again, I think AmeriCorps and SeniorCorps identified in the region, which is important to try and break through, but also, frankly, it is a great opportunity for folks to connect with the VA system because it is an opportunity to get speakers. The guy in the far right in the picture there is my veterans' caseworker. He is a 30-year submarine force veteran, Manuel Menesis, who, again, has connected veterans through the coffeehouse program with hearing aids, with medical appointments, with disability claims, medal recovery.

Again, there is a value here that I think is also important for all of us as members of Congress to recognize that the AmeriCorps program which, again, basically has a force multiplier that costs the taxpayer virtually nothing with volunteers to organize these types of events.

So Mr. Chairman, I have five actually recent articles talking about the great success that SeniorCorps has accomplished and it is a program which, frankly, is now being emulated in other parts of the country. My Republican predecessor, Rob Simmons, who is a colonel in the Army and served in Vietnam, is quoted in one of the stories, talking again about the great work that these coffeehouses are being done.

And again, we are in a place right now where a budget proposal could just completely and totally eviscerate this type of, I think, positive, very efficient use of taxpayer dollars. So, Ms. Darling, in your testimony, you again sort of cited some of the great success that SeniorCorps in particular is doing in Texas, so I was just wondering if you could sort of talk about that in terms of, again, the larger picture here about what we are talking about.

Ms. DARLING. I think we all know that effective use of taxpayer money is important. And in Texas, we certainly know that government can't do it all and government partners with nonprofits to get their work done, but we have seen AmeriCorps and SeniorCorps volunteers work alongside those nonprofit organizations and actually expand their reach and to be able to do things that they could not otherwise do.

Of course, disaster response is one of the largest areas. The State of Texas is the most disaster-prone State in the country, according to FEMA. If it weren't for SeniorCorps volunteers, the recovery after the fertilizer explosion in West would have been seriously hampered. There was nothing left, but SeniorCorps volunteers living in the community knew how to mobilize and how to set up volunteer reception centers and then manage more volunteers in order to help the residents begin to rebuild.

We've seen the same across the State with mentoring and tutoring programs. Communities in Schools, College Forward, Teach For America are all AmeriCorps members. If it weren't for them, these organizations that many of us support but may not recognize as AmeriCorps programs are able to serve far fewer young people and they do provide a consistent presence in the lives of the children they tutor and mentor and make a tremendous difference in our state.

Mr. COURTNEY. Thank you. And again, Mr. Chairman, as I said, I think we are all prepared to help you in the effort to try to make this program work as effectively as possible. But, again, we do not want to throw the baby out with the bathwater, so I would just again ask for permission to submit the articles regarding the veterans coffeehouse.

Chairman GUTHRIE. Without objection, so ordered.

Mr. COURTNEY. And I yield back.

Chairman GUTHRIE. Thank you. Thank you for yielding. I now recognize Mr. Thompson for 5 minutes for questions.

Mr. THOMPSON. Chairman, thank you and thank you for this hearing. This is an important topic and I think that we are exercising our oversight responsibilities in doing that because nothing sanitizes better than sunlight, so having a hearing and being able to talk about these issues. And let me just say, I have watched great results of the programs that we are talking about.

Am I impacting the folks in my congressional district? I have a friend, Melissa McHugh, that is an AmeriCorps employee. She actually works with the intermediate unit. She is responsible for all over Pennsylvania, spreading the good news on Raise.me. If you do not know what that is, look it up. It is an incredible program and Melissa is doing a great job of really reaching out to kids to help them plan for their higher education.

That said, though, I heard my colleague say though it is not that much money and everything is hunky dory. Well, they did not use those words, but kind of we do have a responsibility. We have a fiduciary responsibility. I have a responsibility to the 2,824 participants in my congressional district in this program, make sure we are getting it right and to all the more than 730,000 taxpayers that we are getting it right.

And someone said we are not spending that much money, I have to tell you that program is in the 5th District based on one report here, they total, if you add in potential educational awards to AmeriCorps members, it is almost $3 million in just my congressional district. That is a chunk of change and I think we have a fiduciary responsibility to make sure that we are getting it right for everybody, for all involved.

So my first question, Ms. Giblin—first of all, thank you for your leadership and dedication to improving the operations of the corporation. What would you say your main challenge is when it comes to assessing or reporting improper payments? And in your opinion, why has it taken the corporation so much time, so long to work towards a system of accurate reporting?

Ms. GIBLIN. Thank you for that. I think one of the main challenges we did experience in past years was staffing resources dedicated to our improper payment testing and, quite frankly, identifying an alternative sampling methodology with which we can instill confidence in OMB that our reporting would be robust. And I am happy to say that I am ahead of schedule in developing an alternative sampling methodology with the Office of Management and Budget and hoping to submit my request for such a methodology within the coming days, 30 days ahead of schedule from when I am required to submit that. I was able to bring on additional staff who have specific expertise in sampling the improper payments, ac-

cording to improper payments regulations on to my team, and I am looking forward to rolling this testing methodology out this year and reporting with confidence the results of the end-of-year of assessment in our annual financial report.

Mr. THOMPSON. Well, thank you for your leadership and thank you for bringing what I would describe as that discipline to our accountability process because we do need to get right.

Ms. Jeffrey, in your testimony you described instances where individuals with dangerous criminal records were participating in and being compensated for their service and various programs, volunteer programs specifically. You stated that this program this problem was far from resolved, which is rather frightening. In your experiences as inspector general, is this a widespread problem across similarly structured organizations or is this issue unique in nature, and what is the main reason for this to occur? Is it a lack of awareness, lack of resources, lack of accountability, or something different?

Ms. GIBLIN. To me this is an issue of priority. In all too many of our grantees, they leave the criminal history checking, which requires some detail orientation and some care, to low-level administrative staff. They treat it like it's a routine administrative regulatory requirement and not a critical safety measure, and it doesn't get supervised by the senior leadership in some of our grantees. I think we need to elevate its importance and it needs to be treated as a make or break activity.

Mr. THOMPSON. Thank you very much. Chairman, my time is waning so I'll yield back.

Chairman GUTHRIE. I thank the gentleman for yielding and I recognize Ms. Adams for 5 minutes for questions.

Ms. ADAMS. Thank you, Mr. Chairman and Ranking Member Davis, for the opportunity to discuss the immense value that the Corporation for National and Community Service plays in communities across the country, and I want to thank all the witnesses for your testimony and your experiences with working with CNCS.

In the 12th District of North Carolina that I represent, CNCS and the volunteers they empower make a significant mark. Volunteers help serve food and supports to 500 homeless individuals daily. AmeriCorps VISTA volunteers have developed, implemented, and expanded programs to help provide homeless individuals with skills and training. AmeriCorps members serve in a variety of capacities in public schools across Charlotte, providing important support to students and teachers.

And further, CNCS provides over 140 teachers single education awards and loan deferment as they work in classrooms, impacting thousands of students in low-income schools. I know that the 12th District of North Carolina feels the benefits of CNCS on a daily basis, yet the President's budget proposes eliminating funding for CNCS, stripping communities of these critical services. Cutting educational funding, research, and service is not putting America first. It's putting America last.

My first question, Ms. Darling, for every $10 CNCS provides States, States are able to leverage $15 from private funders. As former COO of CNCS, without the Federal investment in national

service, do you think that Americans will have the opportunity to engage in meaningful service at this scale?

Ms. DARLING. Thank you for that question. I do not believe they would be able to participate in meaningful service at the scale that the corporation allows because there is a structure that allows for the recruitment and training and management of thousands of volunteers beyond just each AmeriCorps member's year of service.

Ms. ADAMS. Is that private-public partnership helpful for States and would States be able to leverage that much funding without the CNCS grants?

Ms. DARLING. It is my opinion that States would not be able to leverage that additional funding for where would it come from if it were not from private philanthropic dollars? And the beauty of the AmeriCorps program is that when these Federal dollars go to grantees, our subgrantees, for example, Communities in Schools is a popular one, they are then able to use the AmeriCorps presence to get additional philanthropic dollars because it's a recognized investment and absolutely makes a difference to their bottom line.

Ms. ADAMS. Thank you. What are some of the benefits that you have experienced with this model both during your time as COO and on the State Service Board of Texas?

Ms. DARLING. Well, I can speak particularly to my service at OneStar National Service Commission. We could not even begin to make a dent in the issues related to children at risk and those that are performing below grade level in just the city of Austin in Travis County without AmeriCorps members in at least 32 schools working with children. It's an early childhood intervention that teachers do not have time to do by themselves that allows a resource that, frankly, for not—if not for our funding of those programs, we would have outcomes for our children that are far less than what we would like.

Ms. ADAMS. So in your opinion, budget cuts would drastically impact the ability to be responsive?

Ms. DARLING. Absolutely.

Ms. ADAMS. Thank you very much. Mr. Chair, I yield back.

Chairman GUTHRIE. I thank the lady for yielding and I now recognize Mr. Grothman from Wisconsin for 5 minutes for questions.

Mr. GROTHMAN. Ms. Giblin, first of all, how many people work for your organization overseeing these programs?

Ms. GIBLIN. The staff within the Office of the Chief Risk Officer comprises 17 individuals.

Mr. GROTHMAN. Pardon?

Ms. GIBLIN. Seventeen staff are in OCRO.

Mr. GROTHMAN. Okay. A lot of times, all these things, you know, you are giving out these grants. When I was involved with organizations in the past that give out grants or that live on grants, they spend an awful lot of time applying for the grants, I mean, just kind of a scary amount of time, not really getting their mission done. Did you ever look into see how much time is spent in your organization that you are giving grants to or their subgrantees? Is that a concern?

Ms. GIBLIN. Is the question have we researched the amount of time it takes our grantees to complete a grant application?

Mr. GROTHMAN. Right, that sort of thing.

Ms. GIBLIN. My office does not analyze that.

Mr. GROTHMAN. Okay, with regard to AmeriCorps, how much are people making to work for AmeriCorps?

Ms. GIBLIN. I don't have the specific dollar amounts, but it is a nominal living allowance.

Mr. GROTHMAN. What is a nominal living allowance?

Ms. GIBLIN. In the range of—depending on if it's full-time, part-time service, no more than $500 a month.

Mr. GROTHMAN. Okay, and do you have anybody managing the program full time?

Ms. GIBLIN. The AmeriCorps program within the CNCS headquarters is managed with a robust staff that is full-time. These grantees are managed by individuals that are dedicated to the oversight of the CNCS AmeriCorps grant on the ground within the grantee itself.

Mr. GROTHMAN. How much are those people making?

Ms. GIBLIN. I don't have that figure in front of me. I can provide that at a later time.

Mr. GROTHMAN. Are they making six figures?

Ms. GIBLIN. I couldn't estimate.

Mr. GROTHMAN. Okay. Ms. Bawden, your report says the corporation conducts limited monitoring of grantee oversight of your subgrantees. What concerns do you have with the limited nature of the current subgrantee oversight protocol and do you believe the corporation's current system leaves taxpayer dollars at risk?

Ms. BAWDEN. With respect to the subgrantees, what we found is that the corporation collects limited information across programs, on how its grantees are overseeing subrecipients, particularly with respect to criminal history checks, and we recommended that the corporation collect more information to assure itself that those criminal history checks were being consistently conducted.

Mr. GROTHMAN. Okay, percentage-wise, how many of the dollars do you think are really spent by the grantees and how many by the subgrantees? Do you know that?

Ms. BAWDEN. In fiscal year 2015 about half of the grant awards were passed through the subrecipients.

Mr. GROTHMAN. Okay, Ms. Giblin, we will ask you again. As part of the review, the General Accounting Office requested a list of 2015 grantees from the corporation and you guys wound up providing 3 grants ranging from 2,477 to 2,807 organizations. That is kind of a big difference in numbers. In light of the difference, GAO found your information unreliable. The taxpayers trust you to administer $715 million in grants. How can you effectively monitor grants if you cannot even produce a reliable number, a reliable list of the active grants that the corporation is administering, and have you changed the procedure since that time?

Ms. BAWDEN. The procedures that resulted in the numbers that you provided really are based on the IT system, the antiquated IT system that we had been relying on for that information.

I am happy to report that the agency is undergoing a complete IT modernization effort that will provide us with a platform that is known in the private and the public sector for its robust data analytics, and we'll be able to provide more reliable data going forward.

Mr. GROTHMAN. I guess I would think even if we did not have computers, you would know how many grants were going out, but do you know how many grants are going out now since this request was made?

Ms. BAWDEN. On average we manage a grant portfolio of about 3,000 grants.

Mr. GROTHMAN. Okay, so more than any of the numbers that you gave us in the past?

Ms. BAWDEN. The information that GAO provided comprised those grants that were received as an assessment. We do our assessment in the summer of each year. Grants are fully awarded by September 30th, so the number will fluctuate.

Mr. GROTHMAN. Okay, and what are the dollar amounts from the grants? What are the lowest grants?

Ms. BAWDEN. Grants range from 40,000 to the millions.

Mr. GROTHMAN. Okay, $40,000. I always kind of wondered about, that's the type of small grant I have wondered about given the time it takes to process it, the time it takes for you to monitor, do you think it is worthwhile for you to get involved in a $40,000 grant?

Ms. BAWDEN. Again, as I shared with the committee earlier that a proper internal control framework for any organization, whether it's the Federal entity or a grantee with whom we invest, should be both effective and efficient, and efficiency should drive—

Mr. GROTHMAN. I have one more quick question. One more quick question?

Chairman GUTHRIE. Really quick.

Mr. GROTHMAN. Okay. As you know, we are very broke in this Federal Government and sometimes people focus on what is the Federal Government's purpose and is it under our Constitution something that the Federal Government should do? It seems to me that this is such a wide open program, covering so many different things, it is like we just gave you a bunch of money and said find something to do with it.

How do you justify the Federal Government, at a time when we are so broke, just giving out grants kind of to anybody under the sun? Does that ever bother you? Don't you think it should be perhaps something handled more appropriately at the local level?

Chairman GUTHRIE. Real quick, a 5-second answer.

Ms. BAWDEN. We invest heavily in the communities that Congress has mandated that we work in. Many of them are distressed, serving some of the hardest and most difficult to serve populations, and so an investment in this organization is actually an investment in the communities in which all of us serve.

Chairman GUTHRIE. Thank you. I am going to have to switch from here, so I thank the gentleman for yielding back. And I'll now recognize Mr. Sablan, 5 minutes for questions.

Mr. SABLAN. Thank you very much, Mr. Chairman. And, Ms. Giblin, I liked your last statement that you work in distressed locations. And I must confess that any program whose mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering is a program I like. And the Corporation for National and Community Service is active in my district, in the Northern Mariana Islands, providing valuable community service for many years now. Our public school system has been

a regular beneficiary of AmeriCorps grants that fund that help dozens of high school students, provide tutoring and mentoring services to at-risk elementary and middle school students every year.

The student volunteers also support teachers and other students in implementing quality service learning projects to meet unmet needs in the community.

The program members reap many benefits, I must agree, including professional on-the-job experience and a little bit of money, funds, to help pay for college. We are very poor people and the knowledge of knowing that they are making a positive impact in the lives of others.

In August of 2015, the Northern Marianas were struck by a devastating typhoon, causing widespread damage the likes that most of us have never seen. It destroyed the homes of thousands of residents, leaving the main island of Saipan without electricity and running water for months afterwards.

We continue to rebuild to this day and services provided through AmeriCorps has proven to be an indispensable part of the recovery effort.

The AmeriCorps VISTA project, through carried out social services, supports post disaster recovery and resiliency efforts. Together with the local commonwealth advocates for recovery efforts, CARE, AmeriCorps' VISTA members are addressing the long-term recovery needs of many residents and have helped provide safe and secure housing for over 350 families.

These AmeriCorps VISTA members have served over 3,000 volunteer hours, leveraged more than 110,000 of in-kind resources, and raised $300,000 in financial resources. They have also worked to assess the Island's available food programs to design and implement a sustainable food bank.

AmeriCorps and AmeriCorps VISTA members have proven to be an integral part of our island community, in our schools and in our homes. It has been shown that for every $10 in Federal funds appropriated, CNCS grants have raised$15 from private sources, the very essence of a successful private-public partnership that our friends in the majority like to commend. And I know that there are problems, but we are not shooting for perfect here. We are trying to find the good, I must say, as it has been said this past week or so about another program. So instead of eliminating the CNCS as the President proposed, this Congress should provide robust funding for these valuable services.

Ms. Darling, I think the Committee Ranking Member Bobby Scott alluded to in one of his questions the President's recently released budget and how it eliminates entirely the Corporation for National and Community Service. I sincerely hope that does not happen, but even reductions, and he says sequestration, in funding can have serious effects. How will budget cuts affect the ability of CNCS to be responsive to needs on the ground?

Ms. DARLING. We look to CNCS to participate in their robust trainings and avail ourselves of resources that they have online and with our program and grants officers. We have a very close relationship with them because they are our funder and we are their grantee. We, in turn, use those tools with our subgrantees in order

to manage risk assessment and monitoring programs so that we can have programs that have impact and outcomes.

Mr. SABLAN. Okay, thank you. I am going to go and risk—my staff hates me for doing this at times, but I am going to risk and I am going to ask a question of Dr. Jeffrey, inspector general. Do you find enough reasons or causes or findings in your opinion because what you have, you issue opinions, do you find enough reason in your opinion to close the program entirely? Yes or no?

Ms. JEFFREY. It's not appropriate for an IG to weigh in or—

Mr. SABLAN. I am asking you, you are here as a witness, I am asking you yes or no.

Ms. JEFFREY. That is simply not a question that's appropriate for me to address.

Mr. SABLAN. But you do issue opinions?

Ms. JEFFREY. We issue reports.

Mr. SABLAN. You issue reports that are based on your opinions.

Ms. JEFFREY. We issue reports—

Mr. SABLAN. Even licensed accountants acknowledge that they issue opinions.

Ms. JEFFREY. We issue reports that are based on investigations and audits. They are not based on opinions.

Mr. SABLAN. Thank you.

Chairman GUTHRIE. I let that run over a little bit to try to get balance back, so let us try to stick to the 5 minutes just to be fair since we went over a little bit on one. Okay, now Mr. Mitchell, you are recognized for 5 minutes for questions. We'll try to stick to the 5.

Mr. MITCHELL. Thank you, Mr. Chair. Ms. Jeffrey, the chairman highlighted some of the background check issues that you have identified that, in fact, despite the requirements and training, self-assessments and all kinds of activities you have taken, the failure to complete background checks adequately is extraordinary. Twenty-two percent of AmeriCorps and State programs, the national program failed background checks; they didn't have them; 36 percent in the foster grandparent program; 40 percent in the senior companion program; and 41 percent in retired seniors volunteer program.

I have to say, you know, I spent 10 years coaching youth hockey and USA hockey had a pretty simple requirement. You had to do a criminal background check before you set your foot in the ice or the locker room. Lacking that, you did not coach. It did not seem to be tricky and had about 100 percent compliance because the insurance would say they could not cover them.

So could you tell me why it is so hard and what we do about it? Because that is a pretty fundamental issue. You have got people that are with children that 36 percent of them did not clear criminal background checks. What are we doing about that?

Ms. JEFFREY. Let me be clear, it's not that 36 percent didn't clear a background check. It's that complete background checks were not performed.

Mr. MITCHELL. Thank you.

Ms. JEFFREY. Or not performed timely on 36 percent. So the public is exposed to a great risk.

Mr. MITCHELL. Sure.

Ms. JEFFREY. By interacting with people whose background checks are unknown. To me, the biggest concern is that CNCS's enforcement mechanism does not seem well designed to tell grantees you must make this a priority. The system of fines that are imposed are simply too small to make a difference. If you had a teenager who was driving recklessly, you would not take away 1 percent of his allowance.

Mr. MITCHELL. I would take away the car, thank you very much. I guess that leads me to the next question. It is not a 1-year phenomenon; this has been a multiyear phenomenon with some of these agencies, yet they continue in their existence despite their failures.

Ms. JEFFREY. This is ongoing. I think for a very long time, the corporation did not realize or did not acknowledge that they had a comprehensive problem. It was only when they were required to undertake improper payments testing that, that testing as a byproduct revealed the extent of this criminal history checking problem. And since then, the corporation has been sort of doing the same thing and hoping for a better response. We will provide better education, we will do more training, we will give you a chance to come into compliance, and an amnesty, and then hope that you'll do better going forward. The problem is that those interventions don't seem to have worked or they haven't worked enough.

Mr. MITCHELL. I guess I have a concern that we are going to give you a chance to come into compliance when you are talking about the foster grandparents program, for example. How many chances are you going to give them? How many chances are we going to take with children when you have failures to complete? Ms. Giblin, why don't you weigh in here because I am concerned with how many chances are we going to give them?

I have a 6-year-old. If they were involved, how many chances are we going to give them?

Ms. GIBLIN. I appreciate your concern and I, too, am a parent who has these concerns. In the 6 months that this program has been under my purview, we have already doubled the disallowed costs to better align it with the priority that we give this program.

Mr. MITCHELL. Let me stop you. What is the disallowed cost?

Ms. GIBLIN. The amount that we would be charge for—

Mr. MITCHELL. How much is that?

Ms. GIBLIN. It ranges anywhere from $250 to $1,500.

Mr. MITCHELL. To how much?

Ms. GIBLIN. Two hundred and fifty to fifteen hundred dollars.

Mr. MITCHELL. Now, if I did a quick poll in the audience here of anybody in this group and said, now, we are going to penalize this out for $250 to $1,500 if this person does not have the criminal background check completed, does that concern you if they are interacting with your children, what do you think the response would be in this audience? What would your response be? Are you happy with that?

Ms. GIBLIN. Thank you for that. My response, more notably, would be that, again, in the 6 months that I've had this program, I've already worked with management on developing a—

Mr. MITCHELL. All due respect, Ms. Giblin, that does not answer my question. My question is, are you satisfied with that as a parent?

Ms. GIBLIN. I am committed to ensuring that this these disallowed costs align with the agency's priorities for this program.

Mr. MITCHELL. Why would we allow that to continue multiple years? I mean, this is a pretty fundamental thing if these people are involved, vulnerable populations. Why do we allow that to happen year over year and not simply say we need someone that is going to do the job properly? Why would we do that?

Ms. GIBLIN. Most notably, I think what we are doing right now is identifying the root causes for the noncompliance to ensure that our grantees have the tools necessary.

Mr. MITCHELL. How about the root causes? If they are not running very professionally, we should find someone that is.

Ms. GIBLIN. For a number of our grantees, they can't even access the State repository checks that are required to complete a final check.

Mr. MITCHELL. All due respect, my oldest son is a police officer and it is not that hard to complete a criminal background check, and I had to do one every year, so that is an excuse. You know the difference between an excuse and a problem? A problem comes with possible solutions; an excuse is a justification for the status quo. It is not acceptable. It puts children and vulnerable people at risk and that ought to be a fundamental requirement of the program.

I yield back. Thank you, sir.

Chairman GUTHRIE. Thank you. Thank you for yielding. I now recognize Mr. Takano for 5 minutes for questions.

Mr. TAKANO. Yes, I do want my friends on the other side of the aisle to understand that this member does take the committee's oversight rule very seriously, so I think when there is an agency that is not performing as well as we like and the inspector general has raised, I think, some serious issues, and Ms. Giblin is trying to respond to those—you came on to the job just 6 months ago, is that correct?

Ms. GIBLIN. The CHC program was given to me as part of my management responsibility about 6 months ago.

Mr. TAKANO. So the risk management, managing the risk. So my colleague from Pennsylvania gets $3 million worth of services through this agency and I think about a million to my agency, about 88 AmeriCorps programs. I did not quite hear, and I do not want to be unfair to him, I did not hear him conclude that he, therefore, wants to see the entire program zeroed out because of the concerns raised. I mean, $3 million is an awful lot. I mean, it is three times as much as my district. And I certainly hope that none of my programs are suffering from some of these issues and I do hope, Ms. Giblin, that we are going to get the service programs on track and it sounds like—but it has been a 20-year program, but I wonder if there might be some fundamental issue with the design.

The design of the program was to allow for maximum flexibility and I know that Republicans—and this is not a bad thing—I am not trying to cast dispersions, but they did insist that very minimal

contact with the Federal agency and individual volunteers. There is a whole series of intermediaries, whether it is a State grantee, a State organization that is appointed by the governor. So there is a Federal system involved here and they wanted it was designed for maximum flexibility at the local level. Is that not correct, Ms. Jeffrey?

Ms. JEFFREY. I'm glad you asked that question because I think it points at one of the challenges. So much of the oversight, particularly in the AmeriCorps program, is performed by the State service commissions, the 52 that exist throughout the United States. Some of them do a great job of oversight of their grantees, others do not. And the difficulty is that CNCS doesn't always have good visibility into who is doing a great job and who really needs to do better. The problem is that we can't be sure that tiered oversight is actually working effectively.

Mr. TAKANO. So the federalized nature of how this bill was designed, oversight might not have been thought through very carefully and the Federal agency might not have been very clear about what a task it is to oversee all these State agencies.

Ms. JEFFREY. I'm not sure that's correct.

Mr. TAKANO. Okay.

Ms. JEFFREY. I think the agency has been fairly clear that it—what it expects the commissions to do. It doesn't always do a good job of knowing whether they're doing what they're expected to do.

Mr. TAKANO. Is there—

Ms. JEFFREY. And beyond that—

Mr. TAKANO. Is there an authority problem? Is there a leverage problem with being able to get these State agencies to kind of take these concerns seriously?

Ms. JEFFREY. I don't know whether I'd call it a leverage problem. I think there is an accountability problem with the willingness to hold the States accountable. I think some of these risks are such that they ought to be monitored directly. While the statute contemplates a system of tiered oversight, there is nothing in the statute that would prevent CNCS from monitoring directly which grantees and which subgrantees are complying with proper criminal history checking.

Mr. TAKANO. Well, my general sense, after listening, and I am listening to all sides here, my own opinion is that I would hate to see this, as one member said, throw the baby out with the bathwater. I, too, could read testimonials from people in my district about the great things that have happened here. The gentleman from Pennsylvania, also, in fairness, recounted great things that were happening in his district. He told a story about that.

So my sense is that I would hate to see us zero this program completely out. I would like to get the accountability right and if we could take a deeper dive into that rather than have this be a kind of all of us telling the great stories and then—and I don't hear members on the Republican side uniformly saying that we—that they agree with zeroing this out. So my hope is that we can get the accountability correct. And I thank the inspector general for her hard work.

Chairman GUTHRIE. Thank you. I thank the gentleman for yielding back and now recognize Mr. Lewis for 5 minutes for questions.

Mr. LEWIS. I would like to thank the chair. Ms. Giblin, I want to start with you. You said a moment ago that you thought the grants amounted to around $500 a month. You were guessing, you didn't have the figures in front of you on some of these.

Ms. GIBLIN. Exactly.

Mr. LEWIS. 1993, as I understand it, AmeriCorps combined VISTA and NCCC, correct? And that was one of the provisions of the 1993 law?

Ms. GIBLIN. I'm sorry, I don't understand.

Mr. LEWIS. In 1993, AmeriCorps brought together VISTA and NCCC, correct?

Ms. GIBLIN. That's correct.

Mr. LEWIS. All right. And if you take a look at the grant specifically with some of these programs, especially AmeriCorps, you thought they were around $500 a month. I have got data here that shows the grant set about $11,800 per year plus a $5,300 stipend for education.

Ms. GIBLIN. The amount I was estimating was just the monthly stipend. You are right that they also receive an additional education award.

Mr. LEWIS. But you are at $500 a month and I have got them higher. Can we look into that and get an actual number?

Ms. GIBLIN. We can.

Mr. LEWIS. Because if you add up the educational stipend and $11,800, you are looking at $17,000 a year for community service. You are not going to get rich off that, but it is not $500 a month.

I want to go into an area here that I do not think we have touched on and, and frankly, I do not know that there is really good information, so I genuinely ask this question. And that is there have been—oh, by the way, one more thing on the funds. The Office of the Inspector General did find out that the National Civilian Community Corps cost taxpayers 4 to 8 times more money and that the NCCC members' 10 months of service cost $29,674.

Ms. GIBLIN. The cost associated with the NCCC program is vastly different than that of AmeriCorps or SeniorCorps.

Mr. LEWIS. But those figures, that number is not obviously monthly stipends. That is the cost to administer the program and everything.

Ms. GIBLIN. Yes.

Mr. LEWIS. All right.

Ms. GIBLIN. It is a residential program, to be clear.

Mr. LEWIS. All right. And that is what has been alluded in some areas of the media and I am not certain they are true. I am genuinely asking the question of you and the Honorable Ms. Jeffrey as well, and that is the political activism associated with some of these groups, specifically AmeriCorps and their association with groups like ACORN. And, again, I am not trying to make political points. I am trying to get to the bottom of this.

We can all quote the famous Jefferson quote about tyranny is being forced to fund the propagation of other people's ideas. And there is a Supreme Court Finley case, and the Solomon case, it said that the Federal Government may rein in speech in certain cases if they are funding it, but regardless of the legal aspects, just as a matter of policy, why would we allow that? I mean, why would

we take money from liberals or conservatives to fund political activism, if indeed that is happening?

Ms. GIBLIN. The agency takes a strong position with regard to prohibited activities, which is, I believe, what you are addressing. We have a multifaceted approach to ensuring that our grantees and our members individually understand their rules and responsibilities and the rules governing prohibited activities. In fact, we are providing a training today and our southern regional conference to ensure that everyone understands clearly their roles and responsibilities.

Mr. LEWIS. And those roles and responsibilities are what?

Ms. GIBLIN. To not engage in prohibited activities.

Mr. LEWIS. To not engage in what?

Ms. GIBLIN. Prohibited activities.

Mr. LEWIS. Prohibited activities, including political activism?

Ms. GIBLIN. It's one of the prohibited activities.

Mr. LEWIS. Ms. Jeffrey?

Ms. JEFFREY. The law expressly forbids engagement in political activism, partisan or nonpartisan, and any form of legislative advocacy.

I know that there were, at some times, concerns about that happening. Certainly during my tenure, we have not seen that.

Mr. LEWIS. And what are the penalties for that if someone or some group or someone receiving a grant is engaged in that?

Ms. JEFFREY. That's up to the management when they act on a particular investigation.

Mr. LEWIS. And you say you have not seen it recently? Does anyone have any evidence to say it has never gone on?

Ms. JEFFREY. We've received no reports of it occurring. Or actually we did receive one report. It turned out to be unfounded.

Mr. LEWIS. All right. I yield back my time, thank you.

Chairman GUTHRIE. Thank you for yielding. I now recognize Mr. Espaillat for 5 minutes for questions.

Mr. ESPAILLAT. Thank you, Mr. Chairman. My question will be directed to Elizabeth Darling. There are thousands of AmeriCorps members serving in New York City, a number of whom serve in my congressional district. They are essential, a locally based part of addressing important community needs for the most part.

Next week, April 4th is the Mayor's Day of Recognition for national service and nearly 4,000 bipartisan mayors from around the country have registered to participate. This is an overwhelming display of local support for this particular program. I appreciate the critical need for effective oversight, but let us not lose the sight of the critical work and bipartisan support for national service programs in all our States and districts and the leveraging of private resources that national service funding enables. For example, in my district, the operation of AmeriCorps, which partners with the New York City Department of Education and the Henry Street Settlement, matches senior companions with homebound seniors, desperately rely on their services, so this is critical to the district.

Ms. Darling, coming from the State of Texas, very different from New York City, of course, can you talk about how local AmeriCorps programs in Texas use national service to engage the community, leverage additional private funds, and support key local services?

What will be the loss in our communities and with our locally based organizations if we lose AmeriCorps or CNCS?

Ms. DARLING. In Texas, we have 2,400 AmeriCorps members in 26 current programs. Some serve full time, some part time in schools, in mentoring programs, in tutoring programs. They are working in the Rio Grande Valley, pairing college students with seniors in high school, helping them apply to college, and 3,300 of 5,000 were recently accepted. We have several programs that also mentor those young people in college through college completion. It's not just enough to be accepted, but we want them to be graduates as well.

And the same is true at the other end of the spectrum. Many programs that are dealing with kindergarten, first grade, and second grade, bringing them up to reading level and with very effective evidence-based programs. Our Texas Conservation Core is absolutely an invaluable resource in the State of Texas, working closely with our Division of Emergency Management and ready to deploy within hours of any number of disasters. If we did not have that resource for the State of Texas to help mobilize and train and manage volunteers, set up volunteer centers and long-term recovery centers, which long-term recovery, as you know, Congressman, goes on for years, we would drastically have a different environment within the State of Texas.

And your mention of Mayor and County Day of Service on the 4th, in Texas last year we had 522 commissioners, mayors, and elected officials, judges on both sides of the aisle that recognized the service in our State on that day.

Mr. ESPAILLAT. So these are critical services in education, higher education, emergency preparedness that strengthened the safety net for thousands, if not millions, of families in the State of Texas. We are happy to hear that and I am glad to see that the program is yielding some good fruit. And although we may face some issues with it, overall it is a good program for communities across the United States. And I yield back the remaining part of my time, thank you so much.

Chairman GUTHRIE. The gentleman yields back. Now please recognize the gentleman from Florida, Mr. Rooney, for 5 minutes of questioning.

Mr. ROONEY. Thank you, Mr. Chairman. We taxpayers trust this Corporation for National and Community Service to administer $750 million in some kind of effective and accountable manner. In 2015, the GAO requested a list from you all of grants that you have done and it ranged from some 2,400 to over 2,800 by my math and it is not really all that good being from Oklahoma and Florida. But that is a 14 percent difference, which equates to $100 million out of that $750 million.

Now, that is a lot of money and I am curios, Ms. Giblin, if you can show us with all that how you can effectively monitor grants if you do not even know how many grants you have done and where the $100 million might have gone.

Ms. GIBLIN. Thank you for that question. As I shared with the committee earlier, the difference in numbers that were provided to the GAO were with regard to the time that the census of grants was taken. Our antiquated IT system that we had at the time to

help us get that data analytics and get that information to GAO is being replaced by a much more robust and more fulsome IT modernization effort that is providing us with the best-in-class data analytics platform from which we'll be able to provide the types of—the numbers that are necessary to better assess our grant portfolio.

Mr. ROONEY. So given this $100 million discrepancy, Mrs. Bawden and Mrs. Jeffrey, perhaps, do you think that the CNCS leaves us at risk? And can you assure us that this money was not wasted and that more money had not been wasted?

Ms. JEFFREY. What you've pointed to is a serious problem with data validation inside the corporation. In 2014, a study was performed by the Mitre Corporation, and one of the things they found was these serious discrepancies between what should be identical information in multiple systems. It was not, in fact, identical and it led to some of the problems that you've identified.

We've encountered the same problem in our work. What has happened over the past year is a very serious scrubbing of the data so that as the new system comes online, the data it will have will be valid. I don't think that we really have money that's missing. I think we are looking at records that are just not internally consistent.

Mr. ROONEY. Thank you, ma'am.

Ms. BAWDEN. As Ms. Giblin noted, the data that we looked at was with respect to how many grants the corporation assessed to determine their priority for monitoring and we received some inconsistent information with that and that data request. We did make a recommendation to ensure that the corporation assesses all of the grants it expects to be active in the coming fiscal year to make sure that it understands their risk and effectively monitors them.

Mr. ROONEY. Thank you. So the inspector general recently made it clear that they think the CNCS lacks "sufficient expertise and has not devoted the level of resources necessary to detect millions of dollars of improper payments. These improper payments are reporting high-dollar overpayments that failed to complete a cost-benefit analysis for the receipt of payments." So, Ms. Giblin, how can you assure us that this money is being spent well?

Ms. GIBLIN. Again, as I shared earlier that I am working closely with the Office of Management and Budget to ensure that I have a more robust testing methodology that will be implemented this year to ensure that we have the information we need to more accurately and report with confidence the improper payment rate for the agency. I am also happy to share that I have also met with a number of Federal agencies to garner best practices in not only the reporting and testing methodologies, but in the strategies to address noncompliance.

Mr. ROONEY. Thank you. Have you levied any penalties or fines or anything on any of these grantees that have failed to do the background checks or have used the untested assumptions or have not made sure that the payments that they dispersed were proper? Have you penalized those folks any?

Ms. GIBLIN. With regard to the annual improper payment testing, we do recall any improper payment that we identify and dis-

allowed those costs and we are in the process of recovering those costs right now. With regard to the CHC program, we do have a disallowance policy.

Mr. ROONEY. So do you ban them from future grant applications and things like that?

Ms. GIBLIN. We work with them closely on a corrective action plan and to retrieve disallowed costs. If grantees are compliant with a corrective action plan and do repay those costs, we are amenable to continue working with the grantee.

Mr. ROONEY. That will never happen in the private sector. Thank you, ma'am. I yield my time. Thank you.

Chairman GUTHRIE. Gentleman yields back. Now please recognize the gentleman from Colorado, Mr. Polis, for 5 minutes.

Mr. POLIS. We want to thank our witnesses, thank you, Mr. Chair. This is the second hearing we have had on the Corporation for National and Community Service in the same year and I had the opportunity last hearing to share some of the good work CNCS is doing to my district.

Again, I want to highlight some of the work of the agency that is near and dear to the heart of my constituents. And as many of you know, my State, Colorado, had a state of emergency in 2013 after experiencing the most damaging floods in our State's history. Several people in my district lost their life, hundreds lost their homes and everything they had, and many more suffered significant damage.

Thanks to the CNCS, though, volunteers were deployed to Colorado to help in the aftermath of the flood. I got to meet and work with and volunteer with many of those volunteers. In total, over 700 national service members came to our State and their work involved volunteering donations management, staffing call centers, coordination of medical mobility rides, community relations, meal services, debris removal. I got to see them doing all sorts of things.

My first question for Ms. Darling is can you share more about CNCS's work with natural disaster recovery efforts, like the floods in Colorado? Because that is an area that a lot of people do not know that CNCS is involved with.

Ms. DARLING. Yes, thank you for the opportunity to talk about disaster response and AmeriCorps in Texas, and I will include SeniorCorps in that as well.

We have 2,400 members in our portfolio for our commission. We expect the majority of them to be trained at some level in disaster response and they know—the programs know that we may call upon them in times of disaster. We have a dedicated disaster core, the Texas Conservation Core, that is trained and ready to deploy at any moment. They also have a fee-for-service model and were deployed after Hurricane Sandy, after numbers of disasters across the country.

Mr. POLIS. Can you name a few of the other disasters that they were deployed to help with?

Ms. GIBLIN. Well, in the State of Texas, the Memorial Day flooding, Halloween flooding on Halloween, two separate Halloweens two years apart, the Bastrop fires in 2011; 2013 fires, wildfire in—May I borrow my notes for a moment ? There are so many in Texas.

Mr. POLIS. I want to thank you for that answer. I also want to highlight a story from an AmeriCorps member in Fort Collins, Colorado, in my district, Alex Grimm. Alex said "During the school day, I work one-on-one with students in grades kindergarten through third grade, who are reading below grade level. I then work with teachers to administer reading interventions that help students to attain their grade level reading." And Mr. Chairman, I would like to submit Alex Grimm's full remarks for the record, if I may.

Chairman GUTHRIE. Without objection.

Mr. POLIS. And to me, this kind of investment really helps AmeriCorps make an impact on its volunteers, whether they are at schools or whether they are doing disaster recovery work, which we are just so grateful for when I met the AmeriCorps reinforcements during what was really our biggest tragedy and natural disaster in my life.

My next question for Ms. Bawden is in your testimony you highlighted GAO's recommendations to improve CNCS and I think everybody wants to improve the work. Now, as several of my colleagues have mentioned, President Trump's budget actually eliminates CNCS. If CNCS were to face significant budget cuts, how would that impact your own ability to implement the recommendations that are provided in the GAO report?

Ms. BAWDEN. Thanks for your question. Several of the recommendations that we made seem to be underway and are not necessarily resource-intensive, but we did not evaluate the cost of implementing the recommendations.

Mr. POLIS. Yeah, and so I think if the goal is to actually implement some of those GAO recommendations, we have to be cautious about some of the obvious. If the agency is eliminated, they will not be able to be implemented, but even under severe cuts they will not be able to.

I also wanted to go to Ms. Darling to highlight, for the final minute, work about AmeriCorps' education and programming work in schools that you have seen and kind of the impact that you have seen that they have on kids.

Ms. DARLING. Thank you for that question. In my oral testimony, I talked about a program in the Rio Grande Valley of Texas, which is a vastly underresourced area of poverty, Colonias along the border. The University of Texas Rio Grande Valley has AmeriCorps members that are working with seniors in high school and helping them reach college access. Out of 5,000, 3,300 were accepted to institutions of higher education. Those kinds of programs are happening throughout the State, in Houston and in Austin, and not just acceptance to college, but college completion.

We know that they are never going to get that far in the beginning unless we also help with them, kindergarten, first grade, second grade, to help them stay on reading level. And our presence in the schools, with Communities in Schools or others of our grantees, absolutely augment the resources that public education are able to give to these children.

Mr. POLIS. Thank you and I yield back.

Chairman GUTHRIE. The gentleman yields back. Now please recognize this gentleman from Georgia, Mr. Allen, for 5 minutes for questions.

Mr. ALLEN. Thank you, Mr. Chairman and the Honorable Ms. Jeffrey. In your fiscal year of 2017 Management Challenges report you highlight the need for the corporation to commit to cultivating a culture of accountability and the progress that Office of Grants Management has made towards this goal. However, you cite the resistance from staff and grantees still entrenched in the prior permissive culture. Can you elaborate on what you mean by permissive culture and what reforms you believe they need to bring about a culture of accountability to the entire corporation?

Ms. JEFFREY. I think empowering the Office of Grants Management has been very important. I will say that over the past 6 months, we have seen an increased willingness to disallow costs that were improperly incurred. Often, when there is a proposal to do that, the program objects and wants to find some way to allow those costs. I think empowering the Office of Grants Management to be able to say no and to make a final decision has been very important.

Right now, of course, the program heads are political appointees and so one major way to change the view of the programs towards this is based on who is appointed to lead those programs going forward.

Mr. ALLEN. So you say this has happened in the last 6 months that we have been under this empowerment process?

Ms. JEFFREY. I think it has gone on probably over the last year or so, but I think we've really seen the result increasing over the past 6 months.

Mr. ALLEN. What preempted this process? I mean, what caused this to happen?

Ms. JEFFREY. I think the committee's oversight had a lot to do with it.

Mr. ALLEN. Okay, all right. So it was questions like this. Do you believe that we need to change the way that grants are awarded to ensure guarantees better understanding of the requirements of active partners in overseeing the use of taxpayers funding?

Ms. JEFFREY. I don't think lack of understanding is the problem. I think it's lack of emphasis and priority.

Mr. ALLEN. All right. Ms. Giblin, in their report, GAO stated that the corporation does not ensure program officers are offered or received professional development in key areas. Specifically, GAO sites that program officers in the AmeriCorps stayed in a national program office generally did not receive professional development or fiscal monitoring even though it is a core responsibility of their grant monitoring responsibility.

How can program officers effectively monitor grants if they do not have the essential knowledge to do so? What is the corporation doing to ensure all employees involved in grant monitoring have the knowledge and skills to effectively monitor grants?

Ms. GIBLIN. Well, CNCS has, in the year that we have been undergoing the GAO audit, has reassessed its training program and has dedicated considerable funds to ensure that program officers and grants officers alike have received necessary training. Specifi-

cally, with regard to fiscal oversight, our grants officer staff have benefitted greatly from enhanced training dollars to ensure that they are certified in the field which they serve.

Mr. ALLEN. What kind of results have we seen from this effort so far?

Ms. GIBLIN. I think that some of the successes that the IG has cited with a continued and robust commitment to ensuring that the oversight is provided, that costs are disallowed and recovered, and that we are working in a more effective and efficient manner.

Mr. ALLEN. Is everyone fully on board with this requirement of education and how long will it take to get folks up to speed on where they need to be?

Ms. GIBLIN. I know the agency is fully on board with ensuring that we are dedicating limited resources to the training protocols for the agency and, to date, I have seen evidence of that.

Mr. ALLEN. Okay, well, thank you for your testimony here today and thank you for what you do for us. I yield back.

Chairman GUTHRIE. Gentleman yields back. I am pleased to recognize the gentleman from California, Mr. DeSaulnier, for 5 minutes of questioning.

Mr. DESAULNIER. Thank you, Mr. Chairman. And I do want to thank the chairman and the ranking member for having this hearing.

Last weekend, the Oversight and Government Reform Committee, we had a very good bipartisan hearing on recommendations by the business community that regularly oversees the Department of Defense budget and they identified $125 billion of waste in that budget. I would remind members that in the Skinny Budget, one of the reasons why we would be—why the administration wants to eliminate the budget for this program, which I think is incredibly valuable, is to move that money to the Department of Defense. So we have to consider both our committee assignments and the expertise we develop, but also the larger budget as it applies to all citizens.

And I would just say it is striking for me to have been in that last hearing and hear such a bipartisan approach to finding out where we can enforce the McKinsey report that was part of the recommendations to the Department of Defense to make sure that they do not waste money.

But in this instance, it seems like, Mr. Chairman, that this is more of a partisan issue, which I really think it should not be. If you believe in a program, which I do in this program, and I can cite local instances of it working at least anecdotally, we want the best oversight.

So, Ms. Jeffrey, you mentioned about the tiered approach and maybe that does not work, less of a tiered approach with the Department of Defense since there is more direct spending and it is Federal spending. But I know coming from local government, we have had issues when I was in local government and State government with Head Start programs, with community block grant programs, with workforce investment boards being administrated properly, either in terms of the oversight in the Federal region, having the proper oversight, or at the State level or at the local level or at the grantee level.

All of that dynamic, we are hoping to come together to make a program work. CCDBG, in particular, when that works, it works really well and I have seen it not work well and I have seen some political influence where the auditors at the local level and the State level basically cover themselves to the Federal audit.

So what I want to do is make sure that we are both—having come from the restaurant business, we used to say that there were really good gross operators and good net operators, and you want to be both.

So you mentioned that State commissions; some do better than others. It certainly sounds like a subjective analysis or judgement. How do we get the high-performing States to bring the low-performing States up? Or was it your implication that this tiered system does not work in this instance?

Ms. JEFFREY. I don't recommend throwing out the tiered system, but I think your inclination that the application of good business risk management principles is absolutely the way to go.

CNCS is always going to have limited resources, cannot provide the same level of oversight to every grant. But at the same time, you don't need to oversee a $40,000 grant the way you oversee a $10 million grant. So risk management helps you decide where best to deploy those resources.

I think there has been a number of efforts to bring peer-to-peer knowledge to bear with grantees with State commissions like Ms. Darling's to help educate others. The difficulty is that different States commit different levels of resources to their commissions. We have one State commission that has a single employee. No matter what, that person is not going to be able to bring the same level of oversight as a well-resourced commission.

Mr. DESAULNIER. I am sure California is right there at the top with Texas.

Ms. JEFFREY. California actually is.

Mr. DESAULNIER. Of course. I would not ask that question or make that observation if I did not know the answer.

So, Ms. Giblin, it strikes me, and just a quote from GAO report, their second observation, we have found that CNCS's current process for grant monitoring is not fully aligned with Federal internal controls for identifying, analyzing, responding to the risk. So what is your timeline to come into compliance and what is your corrective? How do you interact with both the committee, but also the GAO and the inspector general, so that you are reviewing this so we know that you are both acting in good faith to correct it and that you have a timeline to complete that?

Ms. GIBLIN. Thank you for that question. I recently brought on staff who are well-versed in risk management and risk assessment and I am augmenting that staff with additional consultants, third-party objective consultants, who can bring industry knowledge to the organization as we work to implement the recommendations from the GAO. I do enjoy a collaborative work relationship with the IG and will be seeking her input, as I have in the 11 months that I've served at the corporation, and would be happy to report back progress to this committee in any fashion that you would see fit.

Mr. DESAULNIER. Well, I think considering the budget recommendation, a timeline with a sense of urgency would be very important for the commission.

Ms. GIBLIN. Understood, and we are presently working on a 12-month timeline. Thank you. Thank you, Mr. Chair.

Chairman GUTHRIE. The gentleman yields back. I would like to again thank our witnesses for taking the time to testify before the subcommittee today. And now I am pleased to recognize Ms. Adams for any closing remarks that she may have.

Ms. ADAMS. Thank you, Mr. Chair, and thank you all for sharing your testimony today. CNCS plays an invaluable role in communities across the country. I think we have heard that today and, as a matter of fact, heard it several months ago as well. It helps harness the talent and the skills of the American volunteer, helps to connect Americans with volunteer opportunities to fit local needs, and builds off of public-private partnerships to make a difference. And, indeed, it has made a difference as CNCS continues to strengthen its oversight program.

I know that CNCS will improve its monitoring and better serve our Nation, and so I am pleased to continue to support the program and would encourage Congress to robustly fund service programs and not eliminate them. Thank you so very much for being here.

Chairman GUTHRIE. Thanks to the gentlelady. As I had made in my remarks, I mean we should always be pushing ourselves to do better. Congress, this body has not just an authorizing responsibility, but an oversight responsibility, and so I really do appreciate the chairman and the ranking member providing this opportunity. I appreciate all of you being here to share your perspectives.

My colleagues, Democratic colleagues, said that this hearing was about a previous single incident of wrongdoing. In fact, this hearing is about the corporation's record over a number of years as an inability to protect the taxpayer dollars and monitor those dollars in a risk-based fashion and collect improper disbursements, and that hurts the participants when we do that. It detracts from the mission and our purpose with this program. As the chairman and others noted, there was $47 million in improper payment in just 1 year at SeniorCorps.

Now, having sat through this hearing and listened to my colleagues, I think we have a bipartisan agreement that one of the most important functions that this committee has is oversight. And I think, I am hoping, just as I appreciate the great work that has been done over the past 6 months and hoping this oversight hearing will serve continuous down that path of increased accountability and program effectiveness and the investment of the taxpayer dollars and the—because I know there are great programs out there and we need to do that. We will continue to hold the agency accountable for how it spends taxpayer dollars. It is nothing personal. It is just what our responsibility is.

And so I do want to thank all the members and the witnesses and as well as the staff on both sides of the aisle because—with the hard work of the staff that help us to be able to do these types of hearings.

Without objection, there being no further business, the subcommittee stands adjourned.

[Additional submissions by Mr. Courtney follow:]

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TVCCA to open coffeehouse for veterans

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By John Penneyjpenney@norwichbulletin.com (860) 857-6965

DANIELSON — The Thames Valley Council for Community Action is preparing to open a veterans' "coffeehouse" inside the Killingly Community Center, a space organizers said will help promote camaraderie among former service members.

The coffeehouse, to be overseen by the council's Retired and Senior Volunteer Program, or RSVP, volunteer members, will be open twice monthly beginning April 14 in the cafeteria and kitchen at the Broad Street center in Danielson, RSVP Coordinator Greg Kline said.

"The coffeehouse will be a place where vets can enjoy a cup of coffee, connect with one another and build camaraderie, while discussing common issues and needs," he said. "And even those this is open for veterans of all ages, this is also part of the group's goal of working to ensure seniors can age in place."

Kline said a recent U.S census found 3,700 veterans living in northeastern Connecticut, 25 percent of them are 60 or older.

Kline, a Woodstock resident and U.S. Army veteran, said his group is enlisting the support of of local veterans' groups including American Legion, AmVets and VFW members, as well as municipal, state and federal leaders. Kline said the coffeehouse will provide conversation and serve as an information clearinghouse, providing veteran-related resource information to visitors and their families.

At a glance

The Thames Valley Council for Community Action's Veterans Coffeehouse will be open from 9 a.m. to noon on the second and fourth Tuesday of each month beginning April 14 at the Killingly Community Center, 186 Broad St. in Danielson.

A special presentation on the Flying Tigers pilot group is scheduled for 10 a.m March 24 in the center's theater. For more information, contact Greg Kline at (860) 774-9286 or at gkline@tvcca.org.

"There's a lot of information out there, including benefits, education opportunities and health information, that local veterans don't know about," he said. "And while we're not going to be a service agency, we can be a starting point, providing a list of subjects with phone numbers and websites for the veterans to use."

Garry Brown, Pomfret's appointed veteran advocate, said getting a group of veterans in one room is the best way to delivery relevant information.

"Without a venue, you're just grabbing people off the street," he said. "There doesn't sound to be anything like this in the area. And if the guys just want to have a cup of coffee and read for a few hours, that's good, too."

To help promote the coffeehouse, the RSVP group on March 24 will host a presentation on the Flying Tigers hosted by U.S. Army veteran Tom Pandolfi. The Tigers were made up of the pilots and crews of the American Volunteer Group of the Chinese Air Force during 1941-1942.

JUMP TO COMMENTS

Veterans coffeehouse to open

DANIELSON — Military veterans of all ages are invited to the new Veterans Coffeehouse scheduled to open April 14 at the Killingly Community Center. The coffeehouse is sponsored by the RSVP program of Thames Valley Council for Community Action.

Initially, the coffeehouse will be open twice monthly, on the second and fourth Tuesdays of each month, from 9 a.m. to noon. The coffeehouse will use the cafeteria and kitchen at KCC, 185 Broad St.

"The Veterans Coffeehouse will be a place where vets can enjoy a 'cup of joe,' connect with one another and build camaraderie, while discussing common issues and needs," said Greg Kline, RSVP coordinator. "Developing a project that serves the needs of military veterans is a priority of our (RSVP's) Work Plan," he said.

The coffeehouse project will be run by a small cadre of RSVP volunteers. Another goal of the project is to serve as a clearinghouse for information on resources available to veterans, their families and their caregivers. By providing this service, RSVP hopes to help meet TVCCA's objective of facilitating measures that help seniors age in place.

RSVP is enlisting the support of veterans representatives (AmVets; American Legion; VFW; and Soldiers, Sailors and Marines Fund), municipal leaders, state and federal officials, and others to spread the word among local veterans. News of the coffeehouse concept has been warmly welcomed throughout northeast Connecticut, Kline said.

To help promote the coffeehouse, RSVP is hosting a special presentation on the Flying Tigers— the pilots and crews of the American Volunteer Group of the Chinese Air Force during 1941-1942, before the U.S. entered WWII. The program, prepared and delivered by RSVP volunteer and former Army Green Beret Tom Pandolfi of Woodstock, is expected to draw a large audience to the KCC theatre at 10 a.m. March 24. It is free and open to the public.

Source: Putnam Town Crier, p. 7, March 12, 2015

The Bulletin 225
Serving Eastern Connecticut Since 1791

Killingly veterans coffeehouse celebrates its success

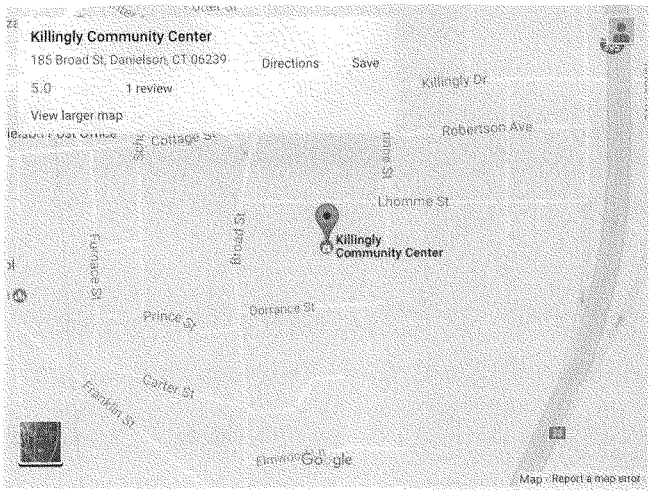
Tuesday
Posted Apr 12, 2016 at 1:07 PM
Updated Apr 12, 2016 at 2:50 PM

By
jpenney@norwichbulletin.com, (860) 857-6965

KILLINGLY – Dozens of local veterans, along with state and town officials and volunteers gathered in a second-floor room inside the Killingly Community Center on Tuesday to celebrate the RSVP Veterans Coffeehouse's inaugural anniversary.

The center, which regularly attracts dozens of former service members at its weekly meetings, became a success thanks to the work and dedication of its volunteer staff, administrator Greg Kline said.

"What a year it's been," he said. "And thank you to our volunteers, who make this place tick, and to the town of Killingly for supporting us."



The coffeehouse opened in April 2015 with the goal of providing local veterans with a place to relax and converse. After attendance continued to grow, the group was moved from smaller downstairs quarters to its current space, courtesy of the town of Killingly. Guest speakers were brought in and evening group meetings quickly followed.

Town Manager Sean Hendricks, a U.S. Army veteran, said the meetings provide a valuable service to veterans.

"In the end, it makes us look back on the good things about our service and reminds of us of why we joined," he said to a crowd of more than 50 on Tuesday. "I'm the man I am because of the military and I went in because I was inspired by people like you."

Kline said the coffeehouse "template" has attracted interest from towns across the country.

"I went to a conference in Washington, D.C., and they were talking about local veterans' programs that have the potential of going national," he said. "And when I started talking about the coffeehouse, heads turned."

Town Council Chairman David Griffiths, a U.S. Air Force veteran, said he grew up in a family that felt an "obligation to serve."

"But we never had an opportunity to sit down and talk about that service – it's a chapter in our lives we didn't discuss," he said. "I wish I had that opportunity, the one you have, to release the black hole in our hearts, to openly discuss what we went through."

During Tuesday's meeting, state Sen. Mae Flexer, D-Killingly, presented several coffeehouse volunteers with citations from the General Assembly.

Korean War veteran Norman Babbitt, a Thompson resident, said he was heartened to see so many veterans bonding on a regular basis.

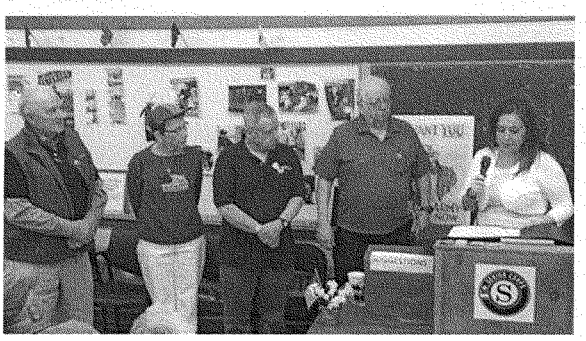
"I will keep coming, he said.

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Veterans Coffeehouse celebrated

Volunteers honored on program's first anniversary

by Jason Bleau
NEWS STAFF WRITER Jason Bleau may be reached at 508-909-4129.
write the author



Killingly Town Manager Sean Hendricks speaks to a full house during the one-year anniversary celebration for the town's Veterans Coffeehouse. Hendricks said the program has become a great success story and an example towns throughout eastern Connecticut have begun to follow for their own programs. *(click for larger version)*

April 17, 2016

KILLINGLY — A year ago on April 14, Killingly celebrated the kickoff of a new program that quickly became new of the town's most respected offerings and has since become a shining example that communities across eastern Connecticut

have looked to in an effort to follow suit.

That program is the Veteran's Coffeehouse, which on April 12 celebrated it's one-year anniversary in style with special guest speakers and the presentation of medals to some of the program's most active volunteers in an early morning ceremony that packed the coffeehouse to near capacity. Since it's inception in 2015, the coffeehouse has made headlines across the state, and today towns like Bristol, New London, Norwich, Torrington and others are looking to the organizers of the coffeehouse for guidance to start their own programs in hopes to repeating the success seen in Killingly.

The coffeehouse has hosted forums, get-togethers and even the presentation of medals to veterans throughout the region and has quickly become a staple of northeastern Connecticut.

Five veterans and one volunteer were honored with volunteer service pins from the National Veteran Corps while those who helped start the coffeehouse and those who have since come on board to make it a massive success were recognized for their commitment to the program.

One of those was Army veteran Sean Hendricks, Killingly's town manager, who reflected on the first year of the program and what it has been like for him to see the coffeehouse thrive and grow into not only a great success story, but also an example for other towns to follow as they too try to bring their veterans together.

"A lot of people did it, but I was part of putting this together and helped find a space. I'm a younger veteran, and so I don't identify with my military service the way the older guys do, but I think the surprise is that there are so many veterans. The cool thing is we found a spot and we didn't know what interest there was going to be," said Hendricks. "Week in and week out we had 30 to 35 people here not just coming to hang out but we provided services for them and things not done anywhere else. It's served as a model for other places and in the end it's not only what's best for these guys, but it's cool for little old Killingly to be on the forefront of this kind of program."

Tom Pandolfi, an Army veteran who has become a major contributor and volunteer to the coffeehouse in its first year, said he is proud to have been a part of making the program such a huge success.

"We initially started it because there was really nothing up here in eastern Connecticut for veterans. The coffeehouse became a great gathering place to form a bond and camaraderie for veterans," he said. "As it expanded we brought in guest speakers, lawyers, anything and everything these veterans want. The vets decide who they want us to reach out too. It takes a grassroots effort to start up something like this."

The special anniversary ceremony recognized veterans Charles Milewski, of Dayville, Jack Tucker, of Canterbury, George Brown, of Woodstock, Meredith Kerttula,of Pomfret, and Richard Dvorin, of Pomfret, as well as volunteer Linda Lee, of Danielson, for their commitment to the coffeehouse, adding their names to the long list of volunteers also recognized in October. Greg Klein, Retired and Senior Volunteer Program (RSVP) Coordinator for the Thames Valley Council For Community Action, the organization responsible for the coffeehouse, said that it's because of these volunteers the coffeehouse have proven to be a lasting and cherished addition to the Quiet Corner community.

"This has been such a great place for us," Klein said. "This would not have been anything close to what it has become without the collective effort [of the volunteers]."

Several veterans took the time to thank their town leaders, as well as Klein and the volunteers, for their undying effort to make the coffeehouse a success. Sen. Mae Flexer, who sits on the Veteran Affairs Committee in Hartford, praised her town and its leaders for bringing such a great program to life and helping support it over the past year.

"I want to say how proud I am that this is in Killingly. It's a testament to the great leaders that we have in this town," Flexer said. "You couldn't ask for better leaders that understand the needs of veterans and the sacrifices they made. This coffeehouse has been a tremendous resource for me and I'm so grateful for that. To come here every couple of weeks, to talk to the veterans and hear their concerns and get their feedback on what we're debating in Hartford and ideas for new things that we could be doing, I'm so grateful to be able to have those conversations."

Flexer presented citations signed by herself and State Reps. Danny Rovero and Christine Randall to the volunteers honored during the anniversary ceremony. Also speaking during the event was Town Council Chairman David Griffiths as well as a representative of the Norwich Veterans Center who congratulated the coffeehouse and its volunteers on a great first year and joined others in expressing confidence in a bright future for the now iconic program in Killingly.

Jason Bleau may be reached at 508-909-4129, or by e-mail at jason@stonebridgepress.com.

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thewesterlysun.com

Town supports Veterans Coffeehouse

August 22, 2016 10:13AM

By Brooke Constance White Sun staff writer

STONINGTON — For many years, coffee has been a catalyst for conversation among veterans and that tradition continues with the twice-a-month Veterans Coffeehouse at the human services department, 166 South Broad St.

The events are hosted by the Thames Valley Council for Community Action Inc.'s Retired and Senior Volunteer Program. They take place on the second and fourth Thursdays of the month from 8:30 to 10:30 a.m. During the two hours, attendees are given the chance to listen to speakers and connect with local, state and federal agencies that provide services to veterans.

Gina King, program coordinator for the volunteer program, RSVP, said that coffee has been a unifying force among veterans both on the battlefield and off dating as far back as the Civil War.

"More than 150 years later and a few more historical wars notched into America's military belt, and veterans are still finding a common ground in meeting over a cup of joe here on the shoreline through the new RSVP Veterans Coffeehouse in Stonington," she said. "Through the veterans coffeehouse we hope to help bring together the veteran community, provide volunteer opportunities for those who want to help others and ultimately create a positive lasting impact in the community that makes a difference in the lives of all veterans and their families."

The regional RSVP veterans coffeehouse project started a year ago and has become a welcoming place for veterans and their families to meet and talk.

First Selectman Rob Simmons, a retired Army colonel, said he often gets calls from local veterans looking for referrals and assistance.

"I think it's important to have this service for veterans," he said. "It's about vets speaking to other vets, sharing a common experience and ideas, and how to help a service buddy. Once you get in the service you have your own experiences, learn to be a team member, watch your buddies' back and that doesn't go away."

Within the first year of holding the coffeehouse events in various Connecticut towns, more than 250 veterans and family members have attended, King said. The gatherings have drawn support from U.S. Rep. Joe Courtney and Sen. Richard Blumenthal, who have presented medals to many of the veterans.

The next coffeehouse is on Aug. 25.

bwhite@thewesterlysun.com

[Additional submission by Mrs. Davis follows:]

VOICES *for* NATIONAL SERVICE

March 7, 2017

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President,

Recent media reports indicate that the White House budget office has drafted a spending blueprint that eliminates a slate of domestic programs, including federal support for national service programs that are working daily to make America great by making our communities--our infrastructure, our veterans, and our inner cities--great.

As Republicans, we support the critical goal of eliminating government waste: it's a massive budget and there's a lot worthy of cutting. But as conservatives who believe in the unifying, patriotic values of national service, we urge you to support the Corporation for National and Community Service (CNCS), the federal agency that administers AmeriCorps and Senior Corps.

Through the Corporation, AmeriCorps has facilitated in excess of 1.4 billion hours of national and community service, including emergency disaster management and relief. CNCS, which statutorily leverages private sector support in the service of our country, is a model of government efficiency—and one that unconditionally deserves your administration's support.

By matching or exceeding federal support with private sector dollars, AmeriCorps lessens the strain on the federal government's social welfare net through its public-private partnerships with more than 1,100 religious and community non-profits, including Boy Scouts of America, Catholic Charities USA, Teach For America, City Year, and Habitat for Humanity.

Consider: for every $10 in federal money appropriated, another $15 is separately raised from private sources to fund AmeriCorps partnerships across the country. The overwhelming majority of those dollars are controlled directly by the states.

These programs are saving the taxpayers huge sums of money. Studies show that national service programs generate a two-to-one return for the taxpayer and a nearly four-to-one return for society.

The federal government's untenable budget bloat is a transcendent threat to America's security. But we understand that every federal dollar spent is not a dollar wasted.

Instead, these are dollars that are going to disaster preparedness and response on our nation's coasts and plains, to care for our military families, and to provide a continued vehicle to service and a reentry point for America's veterans. Since its inception, more than 17,000 veterans have continued serving the country through AmeriCorps' programs. In that same period, those same programs have supported more than 50,000 veterans.

National service, like military service, breeds strong citizens and a strong homeland. We urge you to enable national service, just as past presidents have, both Republican and Democratic, by continuing to support AmeriCorps and Senior Corps.

Sincerely,

John Baker, Executive Chairman, FRP Holdings, Inc.
The Honorable Haley Barbour, Former Governor of Mississippi
Ross Barrett, General Partner, SeVen Holdings and Managing General Partner of BVM Capital
Mayor Richard J. Berry, Albuquerque, New Mexico
Tere Blanca, Founder, Chairman, CEO, & President, Blanca Commercial Real Estate, Inc.
Marvin Borgmeyer, Retiree, ExxonMobil
Beau J. Box, President, Beau Box Commercial Real Estate
Chris Brady Wolfe, Board Member, City Year Columbia
John Bridgeland, Former Assistant to President George W. Bush, Former Director, USA Freedom Corps, Founder & CEO, Civic Enterprises
Bonnie Brown, Former Chairwoman, Willacy County Republican Party (2000-2016), TX
Neil Bush, Chairman, Points of Light
William Calvert, Senior Vice President, Merrill Lynch
Patricia Castellanos Cornish, Board Chair, City Year Miami
Wolf Chapa, Chairman, Willacy County Republican Party, TX
Gary Chartrand, Executive Chairman, Acosta Sales and Marketing
Dr. Jack Christie, Houston City Council Member, At-Large Position 5
Rick Christman, Former Corporation for National and Community Service Board Member
Mayor David Condon, Spokane, Washington
William Copeland Jr., Vice Chairman, National Industry Leader Life Sciences & Health Care, Deloitte LLP
Karla Crawford, Commissioner, CaliforniaVolunteers
Julie F. Cummings, Former Corporation for National and Community Service Board Member & Vice-Chair, Fisher Foundation
Alice Curtin-Thaxton, Director of Educational Partnerships and Policy, United Way of the Midlands
Elizabeth Darling, President/CEO, OneStar Foundation
Diana Davis Spencer, Washington, DC
Paul Edgerley, Managing Director, VantEdge Partners
Sandy Edgerley, Trustee, Edgerley Family Foundation
Stephen R. Fitzer, Esq., Retired Attorney
The Honorable Chris Gibson, Former Congressman of New York
Stephen Goldsmith, Former Mayor of Indianapolis and Former Chair, Corporation for National and Community Service Board
Dr. Maria Hernandez Ferrier, President Emerita of Texas A&M University - San Antonio, Former Corporation for National and Community Service Board Member and Former Education Assistant Deputy Secretary under President George W. Bush
Carolyn Hodges, Past President, Texas Federation of Republican Women
Alan James, Senior Account Executive, South Carolina Business News
Monte F. James, Partner at Jackson Walker L.L.P. in Austin, Texas

Dorothy A. Johnson, Vice Chair and Board Member of the Board of Directors of the Corporation for National and Community Service
Ron Kaufman, Assistant to the President and White House Political Director for President George H.W. Bush and Member of the Republican National Committee
Barry Kern, President & CEO, Kern Studios and Mardi Gras World
Kathy Klein, Columbia, South Carolina Community Volunteer
Mary Grace Landrum, Principal, Landrum and Associates
David Lincoln, General Partner, Element Partners
Oscar Lovelace, MD, Founder of South Carolina American Party
Sophia A. Mafrige, Attorney-Mediator & Past President, Magic Circle Republican Women
Margaret Chai Maloney, Former PR Executive & Novelist, California
Sean Maloney, Former Chairman, Intel China, California
Ken Martinet, Commissioner, CaliforniaVolunteers & President/CEO, Catholic Big Brothers Big Sisters
Chris Meyer, CEO, New Schools for Baton Rouge
Phil Oates, Chairman, Buzz Oates
Wesley J. Palmisano, President/CEO, Palmisano
Stacy Paragary, Co-Owner, Paragary Restaurant Group, Sacramento
John Petersen, Shareholder, Polsinelli
Gregg Petersmeyer, Former Assistant to the President (George H.W. Bush) and Director, White House Office of National Service
Laura C. Poché, Attorney, Rabalais Estate Planning, LLC
The Honorable Richard Riordan, Former Mayor of Los Angeles
Mark Rohr, Chairman and CEO, Celanese
Cal Schmidt, Board Member, City Year Milwaukee
John Sprouls, Executive Vice President and Chief Administrative Officer, Universal Parks & Resorts
Chris Stadler, Managing Partner of CVC Capital Partners and Board Chair, Jumpstart
Amy Stephens, Former House Republican Majority Leader, State of Colorado
Peter B. Stewart, Co-Founder, Chairman & CEO TraceSecurity
Eric Tanenblatt, Former Vice Chair and Board Member, Corporation for National and Community Service Board
Julie Teel, Sacramento, CA
Thomas Teepell, Chief Marketing Officer, Lamar Advertising Company
Karen Thompson Owens, Executive Director, Chapin Chamber of Commerce
Jimmy Valentine, Colonial Life Insurance Company
Michael Ward, Chairman & CEO, CSX
Jason Wolfe, Founder, Wolfe Solutions Sports Marketing

[Questions submitted for the record and their responses follow:]

VIRGINIA FOXX, NC
Chairwoman

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FAX – (202) 225–9571

COMMITTEE ON EDUCATION
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WASHINGTON, DC 20515–6100

ROBERT C. "BOBBY" SCOTT, VA
Ranking Member

MINORITY – (202) 225–3725
FAX – (202) 226–5398

May 12, 2017

Ms. Elizabeth Darling
President and CEO
OneStar Foundation
9011 Mountain Ridge Drive, Suite 100
Austin, Texas 78759

Dear Ms. Darling:

Thank you, again, for testifying before the Subcommittee on Higher Education and Workforce Development at the hearing entitled "Examining the Corporation for National and Community Service and Its Failed Oversight of Taxpayer Dollars" on Tuesday, March 28, 2017.

As a follow-up to your testimony, please find enclosed additional questions for you submitted by Committee members after the hearing. Please provide your written responses to Education Legislative Assistant Caitlin Burke **no later than June 2, 2017,** for inclusion in the final hearing record. Her number is (202) 225-6558 should you have any questions about this request.

We appreciate your time and insight, and we remain grateful for your contribution to the Committee's work.

Sincerely,

Brett Guthrie

Brett Guthrie
Chairman
Subcommittee on Higher Education and
Workforce Development

Ranking Member Robert C. "Bobby" Scott (D-VA)

Would you provide clarification on how AmeriCorps members are paid and how much money they receive?

Some Members were rhetorically asking why they should call AmeriCorps and Senior Corps members "volunteers" when they are being paid. It is very clear to me why they are volunteers, but would you explain the reasoning why they are volunteers.

Ranking Member Susan A. Davis (D-CA)

The Majority made it seem like the lag time in completing a background check or accomplishing the multiple components of a background check was gross negligence. Would you please describe how state regulations and restrictions complicate the process for grantees? What are some examples that cause grantees to have to wait many months to complete a background check and what do they do with employees who have background checks pending?

VIRGINIA FOXX, NC
Chairwoman

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ROBERT C. "BOBBY" SCOTT, VA
Ranking Member

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FAX - (202) 226-5398

May 12, 2017

Ms. Lori Giblin
Chief Risk Officer
Corporation for National and Community Service
250 E St. SW
Washington, DC 20024

Dear Ms. Giblin:

Thank you, again, for testifying before the Subcommittee on Higher Education and Workforce Development at the hearing entitled "Examining the Corporation for National and Community Service and Its Failed Oversight of Taxpayer Dollars" on Tuesday, March 28, 2017.

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We appreciate your time and insight, and we remain grateful for your contribution to the Committee's work.

Sincerely,

Brett Guthrie

Brett Guthrie
Chairman
Subcommittee on Higher Education and
Workforce Development

Chairman Brett Guthrie (R-KY)

1. Failures in the Corporation's grant monitoring have been highlighted repeatedly by the Inspector General, the Government Accountability Office, and this Subcommittee. However, the Corporation has not systematically evaluated the results of its monitoring activities across all programs as called for by GAO in its Standards of Internal Controls report. Why hasn't the Corporation done such an evaluation to ensure it is utilizing taxpayer resources effectively and efficiently? When will the Corporation conduct this evaluation as recommended by GAO?

2. The GAO report makes six recommendations to the Corporation in order to improve grant monitoring. Please provide a detailed plan and timeline for the Corporation to complete these recommendations.

3. The Corporation continues to struggle to ensure grantees conduct criminal history checks in compliance with the clear mandates in the law. In spite of mandatory professional development, self-assessment, and an amnesty the prior year to encourage full compliance, you found significant failure rates on these checks. As noted in the hearing, grantees put vulnerable populations at risk when they fail to complete these criminal history checks in compliance with the law.

    a. Why does the Corporation not disallow all costs associated with service conducted when a grantee is not in full compliance on this requirement?
    b. How will the Corporation ensure a reduction in these failure rates and adequately assess penalties for noncompliance with the law?
    c. How will the Corporation assess the programs most at risk for not conducting criminal history checks?
    d. Please provide the full cost disallowance policy you referenced in the hearing, including how these financial penalties are determined.
    e. Please identify the minimum, maximum, and average financial penalty levied on grantees for noncompliance.

4. In their work, GAO found the Corporation is not strategic in how it utilizes its program and grant officers. As a result, the workload of grant and program officers varies greatly among offices, but the Corporation has not evaluated how these differences affect the Corporation's ability to monitor grants effectively. Further, the Corporation has not evaluated how grant and program officers are distributed among offices. This ad hoc and reactive approach may prevent the Corporation from utilizing grant and program officers in the offices where they are most needed to provide effective grant monitoring. Considering the importance of grant and program officers in your grant monitoring efforts, what is the Corporation doing to evaluate and improve its utilization of the grant and program officers?

5. GAO's report on grant monitoring at the Corporation found the Corporation does not ensure all grants are included in the annual assessment for potential risk. Particularly, those grants awarded after the annual assessment commences are often not included in

the assessment, which means they are not assessed until the following year. Yet, one of your risk indicators is "new CNCS recipient." GAO recommended you correct this inconsistency and weakness by establishing and implementing a policy to ensure that all grants expected to be active in a fiscal year are assessed for potential risk. How is the Corporation working on establishing such a policy and will it be implemented by the next evaluation cycle that begins this summer?

6. The Corporation currently uses 19 indicators, variably weighted, to assess the potential risk of grantees. Both GAO and the OIG have raised concerns with these indicators. They noted the current indicators do not effectively predict which grantees will produce problematic outcomes nor meaningfully cover all identifiable risks, including fraud and improper payments. Further, the indicators and scoring system do not ensure the riskiest grants get the highest scores and decisions on how indicators are selected and weighted have not been documented. The Corporation has contended repeatedly that its grant monitoring is risk-based, but there are clearly weaknesses in the system. To correct this, GAO recommends the Corporation complete its work to benchmark assessment criteria and scoring process to develop a truly risk-based approach to grant monitoring. What progress has the Corporation made in this work, and when can Congress expect it to be completed?

7. Full-time AmeriCorps members receive a living stipend. Please provide the following information about these stipends:

    a. What is the minimum stipend provided to full-time AmeriCorps members?
    b. What is the maximum stipend provided to full-time AmeriCorps members?
    c. What are the exceptions to the minimums and maximum referenced above?
    d. What is the average stipend provided to full-time AmeriCorps members?
    e. What is the typical federal share of the living stipend provided to AmeriCorps members?

VIRGINIA FOXX, NC
Chairwoman

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ROBERT C. "BOBBY" SCOTT, VA
Ranking Member

MINORITY – (202) 225–3725
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May 12, 2017

The Honorable Deborah Jeffrey
Inspector General
Corporation for National and Community Service
250 E St. SW, Suite 4100
Washington, DC 20024

Dear Inspector General Jeffrey:

Thank you, again, for testifying before the Subcommittee on Higher Education and Workforce Development at the hearing entitled "Examining the Corporation for National and Community Service and Its Failed Oversight of Taxpayer Dollars" on Tuesday, March 28, 2017.

As a follow-up to your testimony, please find enclosed additional questions from me for inclusion in the final hearing record. Please provide your written responses to Education Legislative Assistant Caitlin Burke **no later than June 2, 2017**. Her number is (202) 225-6558 should you have any questions about this request.

We appreciate your time and insight, and we remain grateful for your contribution to the Committee's work.

Sincerely,

Brett Guthrie

Brett Guthrie
Chairman
Subcommittee on Higher Education and
Workforce Development

Chairman Brett Guthrie (R-KY)

1. The Corporation continues to struggle to ensure grantees conduct criminal history checks in compliance with the clear mandates in the law. In spite of mandatory professional development, self-assessment, and an amnesty the prior year to encourage full compliance, the chief risk officer recently found significant failure rates on criminal history checks. What has the Corporation done to levy penalties against these grantees or sanction a grantee's future involvement in the program? Are these penalties are effective? What would you recommend the Corporation do to prevent further inaction and strengthen compliance with the law?

2. The Fiscal Year 2017 Management Challenges Report indicates the Corporation has operated in the same inefficient manner since its inception. You advocate for a "radical restructuring" of the Corporation - going as far to say, "No expert, if given a free hand to achieve CNCS's mission on an operating budget of $1 billion per year, would choose the constraints, redundancies, and Byzantine structure that characterizes CNCS and its programs." Would you elaborate on the reforms needed at the Corporation to ensure the effective and efficient utilization of taxpayer funds?

3. The OIG closed an investigation in November of 2016 into the Georgia Center for Nonprofits (GCN), which found GCN violated the law by improperly utilizing its VISTA members when it directed members to perform staff functions and charged clients for their services. As a result, the grantee was debarred for two years and ordered to repay over half a million dollars in disallowed costs. This illegal activity took place over a six year period from 2009 to 2014, which is an unusually long length of time to avoid detection if CNCS did indeed employ a functioning risk-based monitoring system. To what would you attribute the failure of the Corporation to detect this illegal activity for such a long time? What corrective action should the Corporation take to more quickly detect and appropriately respond to such illegal activity in the future?

4. Does the OIG track recommendations made to the Corporation and the status of these recommendations? If so, please provide a summary of open recommendations with the Corporation.

[Ms. Darling's responses to questions submitted for the record follow:]



May 31, 2017

Response to Additional Questions From
The Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Training
Hearing on the Corporation for National and Community Service (3.28.17)
By Elizabeth Darling CEO/President OneStar National Service Commission

1. Would you provide clarification on how AmeriCorps members are paid and how much money they receive?

AmeriCorps members are unique in that they are not like a typical volunteer who may pop-in for episodic volunteer opportunities or a skilled professional volunteer who has specific credentials or experience such an attorney or accountant. AmeriCorps service requires a level of commitment that is consistent over an extended period of time providing continuity and predictability for programs. To sustain this level of service, AmeriCorps provides a modest living stipend to cover some living expenses while members are in service.

The legislation that created the various programs under the Corporation for National and Community Service (AmeriCorps State, AmeriCorps National, AmeriCorps VISTA, AmeriCorps NCCC, Foster Grandparents, Retired Senior Volunteer Program, and the Senior Companion Program) treats the payment of individuals participating in each of these programs differently. The information I share with the committee is related specifically to AmeriCorps State, which is managed by state service commissions like OneStar.

The living allowance for AmeriCorps State members is based on a rate determined annually by the Corporation for National and Community Service (CNCS) according to various factors such as an average poverty rate. The current minimum allowance for a member serving in a full-time capacity is $12,530. Programs may choose to augment this living allowance with private philanthropic dollars up to a maximum of $25,060. The majority of members serving earn close to the minimum living allowance.

One of the unique things about the AmeriCorps program is that organizations have the ability to respond to community needs at the local level. This means that there are hundreds of programs meeting hundreds of needs in a variety of locations. Some programs operate with a 9-month term of service (such as mentoring programs that operate on a school year calendar), others operate under an 11-month term (such as programs providing services to homeless populations). The amount of living allowance paid to a member is determined by the individual program and divided into equal monthly or perhaps semi-monthly amounts. A full-time member serving in an 11-month program at the minimum amount

receives an allowance of $1,139 per month; whereas a full-time member serving in a 9-month program will receive $1,392. The living allowance is taxable. Upon the successful completion of a term of service, an AmeriCorps member receives an Education Award (also taxable) that may be used toward qualified student loans or go directly to an educational institution for future educational expenses. The value of the Education Award is based on the value of the Pell Grant. The current value of a full-time education award is $5,775 before taxes. Members may earn up to the value of two full-time education awards.

Serving as an AmeriCorps member is not intended to be a career. For high school and college graduates AmeriCorps service can be a career launcher where members gain valuable experience for the workforce. Serving is also an opportunity for retirees, veterans, and others to give back to their community through a structured program.

2. Some members were rhetorically asking why they should call AmeriCorps and Senior Corps members "volunteers" when they are paid. It is very clear to me why they are volunteers, but would you explain the reasoning why they are volunteers.

AmeriCorps members are unique in that they are not "volunteers" and they are not, by statute, "employees." We refer to individuals serving in AmeriCorps as AmeriCorps members, not AmeriCorps volunteers. They are individuals who have voluntarily signed-on to serve for up to a year in dedicated service to address local community needs.

While AmeriCorps members are volunteering for a year of service, use of the word volunteer may misrepresent or dilute the true commitment or level of engagement that is required of these individuals. A typical community volunteer may be episodic or on-going, but generally even on-going volunteers are giving a few hours a week of their time. AmeriCorps members are committing to both a total number of service hours (full-time is 1700 hours), and a duration of a term of service (full-time is typically 10 - 11 months). This level of commitment is not something asked of a typical individual looking to volunteer in their community.

AmeriCorps members do receive a living allowance; however, it is a modest stipend intended to cover basic living costs. Generally, community volunteers have full time jobs, or are retirees or students, and their volunteer activities are additional ways for them to be engaged in their community. Full-time AmeriCorps members are serving anywhere from 8 to 12 hour days in the community. Without the living allowance this opportunity would only be available to those with enough family resources to support those individuals for the year.

Although we use different terminology "member" versus "volunteer" to describe an AmeriCorps member's service, it is without question that these individuals are dedicating themselves to serving



communities and individuals in need over an extended period of time. Selfless service of this nature is typically equated with volunteers, and AmeriCorps members are certainly volunteering themselves for this service; however, because of the level of commitment needed, we consider AmeriCorps members as more than volunteers.

3. The Majority made it seem like the lag time in completing a background check or accomplishing the multiple components of a background check was gross negligence. Would you please describe how state regulations and restrictions complicate the process for grantees? What are some examples that cause grantees to have to wait many months to complete a background check and what do they do with employees who have background checks pending?

CNCS requires grantees working with vulnerable populations to obtain four criminal history checks for every covered service member and staff. The fingerprint-based FBI check and the National Sex Offender Public Website (NSOPW) check provide the information needed to determine whether an applicant has any disqualifying offenses on their criminal record, but grantees are additionally required to perform State of Service and State of Residence criminal history checks. The State of Residence check is often the most time-consuming and costly for grantees to obtain. It also provides no new information that would automatically disqualify an applicant from serving, because all such information is currently available under the fingerprint-based FBI check and the NSOPW check.

No single, comprehensive criminal background check database is publicly available in the United States. Instead, each state is the "gatekeeper" for background checks, and they have great latitude to determine who can access background check information, for what purpose, and how the records will be provided. Variation in criminal codes and criminal history procedures across states leads to inconsistency from state to state on eligibility, process, cost, turnaround time and thoroughness of results provided.

Given the time and resources required to obtain multiple background checks for every participant and staff, some larger AmeriCorps grantees have elected to employ a full-time staff member to run background checks. One grantee reports that processing and managing criminal history checks for approximately 3,000 AmeriCorps members takes approximately 2,250 staff hours each year.

If the Committee is interested, the Association for State Service Commissions (ASC) and Voices for National Service have been working on a set of recommendations for improving the background check process. Below is additional detail on each check and the challenges and delays that a grantee may encounter.



National Sex Offender Public Website (NSOPW) Check

A NSOPW check must be completed prior to a member or staff member starting work or service. Although this check is free and quick to run, it must include the results from all states. Problems can arise if a single state registry is "down" and not reporting at the time the check is run which happens not infrequently. In such cases the NSOPW check is not compliant and will result in disallowed costs.

State of Residence and State of Service Criminal History Checks

The most complicated component of the National Service Criminal History Check (NSCHC) is the State of Residence criminal history check. AmeriCorps programs are required to run a State of Residence check on all prospective members. A member who will serve in a state other than where they reside, requires two criminal history checks, State of Residence and State of Service.

The state of residence is the state an AmeriCorps applicant or AmeriCorps program staff applicant is living in when they apply to serve or work in the program. Each state criminal history repository is different, requiring different forms, different processes for acquiring checks, and costs vary widely. Some states require that applicants be fingerprinted in that state as part of their state criminal history check and other states do not. Some states require that applicants get specific forms notarized as part of the criminal history check process. In some states applicants must request that criminal history results be sent directly to the program, rather than allowing programs to make the request directly.

To perform a compliant check for programs that recruit members nationally, conducting State of Residence checks requires a significant investment of time. National programs must be well-versed in the procedures required in all 50 U.S. states and the territories, not just the state where the program is headquartered.

Each state repository not only has a different process to request criminal history checks, but also has different timelines for receiving responses. These timelines can vary from immediate responses to several weeks to months. In recognition of the difficulties presented by the timely coordination of these differing procedures with applicants dispersed across the country, CNCS released a Resource Guide in 2016 with a list of approved, designated state criminal history repositories (some states have more than one repository) which must be used to conduct a compliant State of Residence check.

FBI Fingerprint Checks

Initially, setting up accounts through a state criminal history repository for the State of Service and FBI fingerprint checks can be quite involved, but when successfully set up, running checks can become fairly routine. In Texas, we are fortunate that our state repository, Texas Department of Public Safety also runs FBI fingerprint checks. This is not the case in every state.

In the recent past, complications occurred when programs were prohibited by state law from performing FBI fingerprint checks through their state criminal history repository. In these cases, some programs



were able to conduct background checks directly through their state service commission. While this was an option for some programs, it sometimes caused significant lag times as commissions do not have the resources necessary to review all results in a timely manner. CNCS worked diligently to address this issue and as a result set up "FieldPrint" as an FBI Channeler so that all programs now have access to the required fingerprint checks.

In Texas, our state laws prohibit us and our sub-grantees from maintaining the results of FBI fingerprint checks. This is in conflict with the AmeriCorps and Senior Corps regulations to retain all fingerprint check results. Due to this anomaly, we were required to apply to CNCS for an Alternative Search Protocol so we could develop a process to track compliance of the initiation and completion of fingerprint checks, without sharing the actual results with a monitoring official. Several states have similar laws.

An additional complication that can cause delays is the start time for programs. Many programs hire the majority of their members for August or September start dates, which means AmeriCorps programs are competing for limited fingerprinting appointments with other AmeriCorps programs, school districts, and community volunteer programs working with vulnerable populations. Beyond the issue of start dates, many AmeriCorps programs recruit their members from out of state, and are thus unable to send their members to be fingerprinted until their start date or only a few days prior. This delay can cause results to be a few days or several weeks late in getting back to the program.

In the event that a program does not receive the necessary criminal history check results prior to the start of service or work for a member or staff person, AmeriCorps and Senior Corps programs are required to provide accompaniment to any member or staff person who has access to vulnerable populations. Accompaniment is required until either the State of Service and State of Residence criminal history check (or the FBI fingerprint check) have been completed along with the National Sex Offender Public Website check. Not only must programs provide accompaniment, but in order to stay in compliance and avoid disallowed costs, accompaniment must be documented contemporaneously.

Senior Corps programs face similar challenges with the National Service Criminal History Check process. Both Foster Grandparent and Senior Companion Programs have orientations the first week of service. The members do not have contact with vulnerable populations during the initial part of their orientation. State criminal history repository and FBI fingerprint checks must be conducted on or before the first day of service. Often even if the National Sex Offender Public Website (NSOPW) check is completed in advance of the first day of service, but the initiation of the state criminal history repository checks and FBI fingerprint checks is conducted on the second or third day of orientation, disallowed costs are assessed even though these late checks do not result in any contact or risk to vulnerable populations. The situation is similar for Senior Corps staff members that are hired, but for whom the state criminal history repository and FBI fingerprint checks are initiated a day or two late.



"On time every time" can be challenging to coordinate especially for programs with hundreds of members coming from different states, with different state protocols and variable timelines. CNCS has recognized the complexity of the requirements for NSCHCs, and in addition to the resources already mentioned above, they have also created a NSCHC eCourse that is required for all grantees and sub-grantees to complete annually. This in-depth course walks through all the requirements including how to ensure checks are performed and documented correctly. CNCS is deliberate in including NSCHC sessions at training events, such as the AmeriCorps State/National Symposium and National Service Regional Conference Trainings. Generally, compliance issues with NSCHCs are not due to a lack of clear policies and procedures nor to negligence. Compliance issues are usually due to human mistakes that can occur when trying to implement an administratively complex process with very specific requirements and no room for error.

[Ms. Giblin's responses to questions submitted for the record follow:]

Corporation for National and Community Service
www.NationalService.gov

June 12, 2017

The Honorable Brett Guthrie
U.S. House of Representatives
Chairman
Subcommittee on Higher Education and
Workforce Development
2176 Rayburn House Office Building
Washington, DC 20515-6100

Dear Chairman Guthrie:

Thank you for the opportunity to testify before the Subcommittee on Higher Education and Workforce Development on Tuesday, March 28, 2017. I appreciated the opportunity to share with the committee the progress the Corporation for National and Community Service has made in the areas of risk assessment, grants oversight and management.

Please find enclosed the responses to the additional questions you provided on May 12, 2017 for inclusion in the final hearing records.

Once again, I appreciate having been given the opportunity to testify before your committee and thank you for your continued leadership on this important topic. If you have any questions regarding the enclosed, please contact Tess Mason-Elder, Acting Director of Government Relations, at (202) 606-6873.

Sincerely,

Lori Giblin
Chief Risk Officer
Corporation for National and Community Service

Enclosure

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Corporation for NATIONAL & COMMUNITY SERVICE

June 12, 2017
Questions for the Record

1. Failures in the Corporation's grant monitoring have been highlighted repeatedly by the Inspector General, the Government Accountability Office, and this Subcommittee. However, the Corporation has not systematically evaluated the results of its monitoring activities across all programs as called for by GAO in its Standards of Internal Controls report. Why hasn't the Corporation done such an evaluation to ensure it is utilizing taxpayer resources effectively and efficiently? When will the Corporation conduct this evaluation as recommended by GAO?

   CNCS response: On an annual basis the agency has convened its monitoring work group to evaluate the previous year's risk assessment process and used the results to improve the effectiveness and efficiency of the risk assessment efforts. In 2017, the Office of the Chief Risk Officer (OCRO) will perform a holistic evaluation of the risk assessment program. To do this, OCRO recently hired two staff with public and private sector risk assessment experience and recently awarded a contract to a third party vendor that will facilitate a complete review of the risk assessment process including changes to the assessment criteria, work flow, and internal controls, and the development of an evaluation process for continuous improvement. OCRO is also working on ways to automate the workflow of the annual risk assessment. It is expected that the contract will be awarded in June 2017 and the new portfolio risk assessment criteria will be developed by the end of the calendar year. The agency will adjust the new criteria and test it for effectiveness and accuracy in calendar year 2018.

2. The GAO report makes six recommendations to the Corporation in order to improve grant monitoring. Please provide a detailed plan and timeline for the Corporation to complete these recommendations.

   CNCS response: CNCS provided its plan to address GAO's recommendations in a memo transmitted on May 11, 2017. A copy of that plan is attached for the Committee (see Attachment 1 – 20170511_CNCS Plan to GAO 17-90).

3. The Corporation continues to struggle to ensure grantees conduct criminal history checks in compliance with the clear mandates in the law. In spite of mandatory professional development, self-assessment, and an amnesty the prior year to encourage full compliance, you found significant failure rates on these checks. As noted in the hearing, grantees put vulnerable populations at risk when they fail to complete these criminal history checks in compliance with the law.

   a. Why does the Corporation not disallow all costs associated with service conducted when a grantee is not in full compliance on this requirement?

   CNCS response: CNCS disallows all costs associated with ineligible individuals, including stipends, salaries, fringe benefits and, education awards. In cases where an individual is eligible to serve, but the grantee's files are not fully compliant, disallowance amounts are based on the level of noncompliance. CNCS's current disallowance guidance is a result of numerous years of working to educate grantees regarding the complexity of the National Service Criminal History Check (NSCHC) requirements and encourage compliance with the NSCHC regulations. Agency leadership is reviewing the disallowance amounts and may update the guidance in the coming months.

   NSCHC compliance includes documenting a multi-step process. To name just a few of these steps, the process includes:

   - Determining who requires a background check
   - Determining the type of check required

- Determining the date the check must be initiated
- Documenting volunteer understanding of the requirement itself
- Documenting consent and the identity of the volunteer
- Identifying the proper sources from which to obtain the check
- Documenting the date the check was returned and adjudicated
- Validating that accompaniment was performed, if required.

Under the current policy, noncompliance occurs if any of these steps are not performed or if one is performed incorrectly, untimely, and/or not fully documented. Additionally, CNCS award amounts range in dollar amount (from $0 to multi-million) and award type (full operating grants, education only awards, and awards to grantees comprised of just training dollars). Disallowing all costs associated with service without taking into account the award amount or type of grant, could result in zero to millions of dollars in disallowances regardless of the severity of noncompliance, and inconsistent treatment of noncompliance that depends on the type of grant rather than the level of noncompliance.

Agency leadership will take all of these factors into consideration as we refine and strengthen the disallowance policies to more fully align with our commitment to holding all grantees accountable for noncompliance.

b. How will the Corporation ensure a reduction in these failure rates and adequately assess penalties for noncompliance with the law?

CNCS response: To address noncompliance, CNCS continues to provide multiple training opportunities for grantees and staff regarding criminal history noncompliance. In addition, the agency is currently in the process of identifying a vendor to perform state criminal history checks and nationwide sex offender checks. This will provide grantees with a single solution to mitigate most of the noncompliance associated with the multistep process. This new solution draws on CNCS's experience in providing a similar solution to its grantees in 2016 when the agency obtained the services of a vendor to provide FBI checks for grantees. The vendor has worked with over 500 CNCS customers, performing over 23,000 checks that are known to be fully compliant with regard to data source and applicable clearances. CNCS believes that providing a simpler and more streamlined approach for completing criminal history checks accurately and more timely will result in a notable decrease in noncompliance.

c. How will the Corporation assess the programs most at risk for not conducting criminal history checks?

CNCS response: The agency will continue to assess programs (AmeriCorps, Senior Corps, Social Innovation Fund) risk through its annual Improper Payments Elimination and Recovery Improvement Act (IPERIA) testing process. In addition, CNCS continues to assess and evaluate grantee criminal history check compliance through our ongoing monitoring visits with grantees, as well as through our continuous training and technical assistance activities, such as the regional training conferences, webinars, and other resources.

d. Please provide the full cost disallowance policy you referenced in the hearing, including how these financial penalties are determined.

CNCS response: Please see attached enforcement and disallowance for NSCHC ineligibility and disallowance (Attachment 2).

e. Please identify the minimum, maximum, and average financial penalty levied on grantees for noncompliance.

CNCS response: According to the National Service Criminal History Check Enforcement Guide, the minimum disallowance amount per noncompliant file is $250. The maximum disallowance amount per noncompliant file is $1,500. These varying disallowance levels account for the types of grants and degrees of non-compliance mentioned in response to question 3.a., above. The average financial penalty levied on grantees for noncompliance in FY 2016 was $7,000. In addition to the minimum and maximum disallowances associated with noncompliance, CNCS disallows all costs associated with staff salaries and other benefits and national service participants' stipends and education awards for any individuals who are deemed ineligible. As noted above, the agency is reviewing the disallowance amounts to better align them with the agency's requirement for NSCHC compliance. The agency will provide the Committee with an updates as the policy is updated or further refined.

4. In their work, GAO found the Corporation is not strategic in how it utilizes its program and grant officers. As a result, the workload of grant and program officers varies greatly among offices, but the Corporation has not evaluated how these differences affect the Corporation's ability to monitor grants effectively. Further, the Corporation has not evaluated how grant and program officers are distributed among offices. This ad hoc and reactive approach may prevent the Corporation from utilizing grant and program officers in the offices where they are most needed to provide effective grant monitoring. Considering the importance of grant and program officers in your grant monitoring efforts, what is the Corporation doing to evaluate and improve is utilization of the grant and program officers?

CNCS response: As mentioned in its response to the GAO audit, CNCS has taken significant steps in the last two years to address workforce needs. CNCS has established a senior executive level committee that reviews all staffing level requests and ensures appropriate staffing justifications are provided. This group also ensures that all functions within the agency are being resourced appropriately. As a result of this systematic approach, the Office of Grants Management (OGM), the Field Financial Management Center, and Office of Program Operations were able to add additional staff in order to meet current work demands, especially grants monitoring. CNCS is also reviewing its full corps of grant and program officers to ensure that they are appropriately allocated across the agency's programs and offices.

5. GAO's report on grant monitoring at the Corporation found the Corporation does not ensure all grants are included in the annual assessment for potential risk. Particularly, those grants awarded after the annual assessment commences are often not included in the assessment, which means they are not assessed until the following year. Yet, one of your risk indicators is "new CNCS recipient." GAO recommended you correct this inconsistency and weakness by establishing and implementing a policy to ensure that all grants expected to be active in a fiscal year are assessed for potential risk. How is the Corporation working on establishing such a policy and will it be implemented by the next evaluation cycle that begins this summer?

CNCS response: CNCS agrees that all active grants should be assessed annually for potential risk. CNCS has revised its current guidance to ensure that all grants are included in the assessment

process and will apply GAO's recommendation. The policy will be implemented with this year's assessment cycle and include all awards made in FY2017.

6. The Corporation currently uses 19 indicators, variably weighted, to assess the potential risk of grantees. Both GAO and the OIG have raised concerns with these indicators. They noted the current indicators do not effectively predict which grantees will produce problematic outcomes nor meaningfully cover all identifiable risks, including fraud and improper payments. Further, the indicators and scoring system do not ensure the riskiest grants get the highest scores and decisions on how indicators are selected and weighted have not been documented. The Corporation has contended repeatedly that is grant monitoring is risk-based, but there are clearly weaknesses in the system. To correct this, GAO recommends the Corporation complete its work to benchmark assessment criteria and scoring process to develop a truly risk-based approach to grant monitoring. What progress has the Corporation made in this work, and when can Congress expect it to be completed?

   CNCS response: The Chief Risk Officer (CRO) continues to validate and assess the agency's current risk indicators against industry best practices to ensure that CNCS is deploying the most appropriate risk model. The CRO will use this information and all other data, to develop criteria by the end of calendar year 2017. The new criteria will be calibrated and tested for effectiveness and accuracy in calendar year 2018.

7. Full-time AmeriCorps members receive a living stipend. Please provide the following information about these stipends:

   a. What is the minimum stipend provided to full-time AmeriCorps members?

      CNCS response: The minimum living allowance for AmeriCorps State and National members for Fiscal Year 2017 is $12,630.

   b. What is the maximum stipend provided to full-time AmeriCorps members?

      CNCS response: The maximum living allowance for AmeriCorps State and National full time members for Fiscal Year 2017 is $24,930.

   c. What are the exceptions to the minimums and maximum reference above?

      CNCS response: The exceptions to the minimums and maximums referenced above are:

      - Programs existing prior to September 21, 1993 are not required to offer a living allowance. If an applicant chooses to offer a living allowance, it is exempt from the minimum requirement, but not the maximum requirement. EAP Grantees are not required to provide a living allowance, but if a living allowance is provided, it must comply with the maximum requirements. Professional Corps Grantees must provide members a living allowance or salary, which must meet the minimum, but may exceed the maximum living allowance. Professional Corps member salaries are paid entirely by the organizations with which the members serve, and are not included in the budget.

- Although AmeriCorps programs are allowed to provide supplemental benefits, almost all AmeriCorps State and National programs' living allowance plus supplemental benefits do not exceed the maximum living allowance amount.

d. What is the average stipend provided to full-time AmeriCorps members?

CNCS response: The average living allowance provided to a full time AmeriCorps State and National members in 2014 was $11,525, in 2015 was $13,254, and in 2016 was $13,166.

e. What is the typical federal share of the living stipend provided to AmeriCorps members?

CNCS response: The average federal share of living allowances provided to AmeriCorps State and National members in 2014 was 63 percent, in 2015 was 62 percent, and in 2016 was 63 percent.

Corporation for National and Community Service
NationalService.gov

May 11, 2017

Dear GAO colleagues,

On the behalf of CNCS, I want to thank you for your thoughtful and thorough work on this engagement. We are pleased GAO acknowledged our established assessment-based monitoring process and grateful for feedback on how to refine and improve the process going forward. GAO's recommendation that CNCS move from compliance- to risk-based monitoring represents a maturational process that is occurring throughout the Federal Government. In fact, it is called out specifically in updates to OMB Circular A123 focused on Enterprise Risk Management. Aided by the establishment and staffing of the Office of the Chief Risk Officer (OCRO), CNCS is moving forward toward this goal. We continue to review, revise, and refine the agency's approach to risk management and grants monitoring to ensure that we, as well as our grantees, are accountable for federal funds.

CNCS values GAO's input and will continue to implement your recommendations as resources allow. Specifically, we will continue:

- Improving risk monitoring, tracking, and scoring
- Enhancing the alignment of monitoring actions with assessment results to include ensuring that all grants undergo an assessment
- Conducting routine evaluations of our monitoring and oversight process to ensure continual improvement
- Implementing strategic workforce planning and aligning employee development with agency goals and critical competencies.

We appreciate the opportunity to collaborate with GAO to improve our programs and practices. Please find our responses to your recommendations below:

1. **Ensure that CNCS completes its efforts to benchmark its assessment criteria and scoring process to further develop a risk-based approach to grant monitoring and that information from this effort is used to (a) score the indicators so that the riskiest grants get the highest scores (b) revise the assessment indicators to meaningfully cover all identifiable risks, including improper payments, and (c) document decisions on how indicators are selected and weighted.**

   We will continue to periodically benchmark our assessment criteria in order to ensure that we are assessing appropriate risks. CNCS recognizes the need to move from compliance- to risk-based monitoring. We view this effort as maturing an existing approach, as opposed to starting a new one from scratch. The OCRO will help to refine this approach as part of reviewing and revising risk criteria and scoring. The agency's enhanced risk-based approach will begin with Fiscal Year (FY) 2018 grant awards.

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2. **Establish and implement a policy to ensure that all grants expected to be active in a fiscal year, including those awarded after the annual assessment, are assessed for potential risk.**

   CNCS agrees that all active grants should be assessed annually for potential risk. In regards to the FY 2015 assessment, 208 awards across our grant programs were made after the assessment data was pulled on August 26, 2015. Of the 208 awards made between August 26 and September 30, only 15 were for new CNCS grantees. The remaining grant awards went to existing grantees, predominately State Commissions, National Directs, and longstanding Senior Corps grantees, as well as ongoing VISTA projects.

   CNCS will revise our current assessment policy to ensure that all grants are included in the assessment process and immediately implement GAO's recommendation.

3. **Review monitoring protocols, including the level of information collected for oversight of sub-recipient's activities such as criminal history checks, and enhance protocols as appropriate.**

   CNCS, like most federal agencies, monitors at the prime grantee level. We recognize that more needs to be done to address risk at the sub-recipient level, particularly regarding CHC compliance. Per regulation, grantees are primarily responsible for monitoring their sub-recipients. However, CNCS has taken steps to resolve CHC compliance with grantees and sub-recipients. We have implemented the use of an FBI channeler and are exploring a contract solution for national and state checks. This will also address IPERA-related concerns relating to CHC. In addition, CNCS is strictly enforcing CHC compliance and disallowing costs when grantees have failed to comply with CHC requirements.

4. **Establish activities to systematically evaluate grant monitoring results.**

   As noted in our response to recommendation 1, CNCS has not only established the OCRO, but resourced it so that we can continue to build on our current risk assessment framework and capture the information and data necessary to continue to enhance our approach to risk-based monitoring.

5. **Develop and document a strategic workforce planning process.**

   CNCS has taken significant steps in the last two years to address workforce needs. CNCS has established a senior executive level committee that reviews all staffing level requests and ensures appropriate staffing justifications are provided. This group also ensures that all functions within the agency are being resourced appropriately. As a result of this systematic approach, OCRO has received an appropriate level of staffing needed to accomplish their mission. In addition, the Office of Grants Management (OGM), the Field Financial Management Center, and Office of Program Operations were able to add additional staff in order to meet current work demands.

   In accordance with direction received from OMB following the release of the "Memorandum for Heads of Executive Departments and Agencies", M-17-22, CNCS is launching an enterprise-wide re-examination of the agencies' mission, strategy and structure in order to develop a plan to ensure employee performance is maximized and the agency is operating effectively.

6. **As part of CNCS's efforts to develop an employee development program, update critical competencies for grant monitoring, and establish a training process linked with agency goals and these competencies.**

   CNCS implemented a robust training initiative late in FY 2015 and carried this over into FY 2016 in which OGM staff received significant training in areas specifically associated with grants monitoring. A majority of Grant Management Specialists have now been able to obtain grant management certificates as part of this initiative. In addition to the staff training initiatives undertaken since FY 2015, CNCS is in the process of developing a broader agency-wide employee development program that will link competencies to development needs in a variety of mission-critical roles.

Again, I want to thank you for your thoughtful and constructive work during this engagement and for the recommendations you have provided to CNCS.

Sincerely,

Jeffrey Page
Chief Operating Officer

Enforcement and Disallowance for NSCHC Ineligibility and NSCHC Noncompliance

NSCHC - Ineligible Individual

An **ineligible** individual (42 USC 12645g(c)) is anyone who (1) is registered or required to be registered on a sex offender registry; (2) has been convicted of murder; (3) refuses to consent to the NSCHCs; or (4) makes a false statement in connection with his or her NSCHC. Ineligible individuals are barred from working or serving on a grant-funded program. Recipients are strongly encouraged to promote the safety of those involved in their national service program through various means. The NSCHC establishes a baseline screening procedure. Recipients may establish a screening procedure with components and criteria that go beyond the NSCHC baseline requirements and that are tailored to the needs of their program, organization, and beneficiary population. Recipients should also be aware that regardless of documented accompaniment, all associated costs with an ineligible individual will be disallowed.

If you determine that an ineligible individual served or worked on a CNCS grant (including matching funds), you must:

- Immediately remove any currently serving ineligible individuals from the CNCS grant, and retain documentation of their service history and NSCHC documentation.
- **Disallow all costs associated with the individual. Costs include any stipend, salary, fringe benefits, or education award. Calculate these costs from the individual's start date in a covered position.**
- Establish proper documentation and report the confirmed ineligibility to CNCS

NSCHC - Eligible Individual – Noncompliant File

Noncompliance refers to a situation in which an individual in a covered position is eligible to serve, but a recipient did not fully comply with all of these items:

- Properly conduct all required NSCHC components for the individual.
- Conduct the required NSCHC components on time.
- Ensure that an individual with access to vulnerable populations was in the physical presence of a qualified individual while checks were pending (also known as "accompaniment").
- Retain proper documentation.

If **noncompliance** is discovered:

- A recipient must take corrective action to correctly determine eligibility.
- CNCS will disallow costs associated with NSCHC noncompliance.

Use the Matrix on the next page to determine the level of mitigation in each noncompliant file and associated disallowance per individual.

NSCHC MITIGATION MATRIX

Disallowance for each individual for whom…	Self-Reporting	Standard Disallowance
	↓	↓
High Mitigation is present	$250	$500
Moderate Mitigation is present	$500	$1000
Low Mitigation is present	$750	$1500

MITIGATION RATING	NO ACCESS OR EPISODIC ACCESS TO VULNERABLE POPULATIONS	RECURRING ACCESS TO VULNERABLE POPULATIONS
High Mitigation	Program adjudicated a sex offender check before the individual began work or started service on the grant AND at least one of the following is ***present***, **<u>even if late</u>**: • Initiated a vendor check that included a **nationwide** search of state criminal history information; OR • Initiated the State of Service or State of Residence check through CNCS designated sources; OR • Initiated a fingerprint-based FBI check.	Program met the requirements of 1, 2, and 3: 1. Performed accompaniment (if required); AND 2. Adjudicated a sex offender check *before* the individual began work or started service on the grant; AND 3. ***Initiated*** one of the following **<u>on time</u>**: • A vendor check that included a **nationwide** search of state criminal history information; OR • A State of Service or State of Residence check through CNCS designated sources; OR • A fingerprint-based FBI check.
Moderate Mitigation	Program adjudicated a sex offender check AND at least one of the following is ***present***, **<u>even if both are late</u>**: • Initiated a vendor check that included a **nationwide** search of state criminal history information; OR • Initiated the State of Service or State of Residence check through CNCS designated sources; OR • Initiated a fingerprint-based FBI check.	Program met the requirements of 1 or 2: 1. Performed accompaniment (if required) AND ***initiated*** **<u>one of the following on time</u>**: • A vendor check that included a **nationwide** search of state criminal history information; OR • A State of Service or State of Residence check through CNCS designated sources; OR • A fingerprint-based FBI check. 2. Adjudicated a sex offender check before the individual began work or started service on the grant AND at least one of the following is ***present***, **<u>even if late</u>**; • A vendor check that included a **nationwide** search of state criminal history information; OR • A State of Service or State of Residence check through CNCS designated sources; OR • A fingerprint-based FBI check.
Low Mitigation	Any other combination of factors that does not meet the requirements for Moderate Mitigation or High Mitigation.	

This Matrix does not preclude CNCS from implementing other remedies for noncompliance or taking other measures as authorized by law. CNCS may update this Matrix at any time. The disallowance amount is a remedy for noncompliance per 2 C.F.R. § 200.338.

[Inspector Jeffrey's responses to questions submitted for the record follow:]

Office of Inspector General
Corporation for
NATIONAL & COMMUNITY SERVICE

Deborah J. Jeffrey
Inspector General

By email

June 12, 2017

The Honorable Brett Guthrie, Chairman
Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Development
2176 Rayburn House Office Building
Washington, DC 20515-6100

Re: Responses to Questions for the Record

Dear Chairman Guthrie:

Thank you for the opportunity to testify before the Committee on Education and the Workforce, Subcommittee on Higher Education and Workforce Development, at the hearing, *Examining the Corporation for National and Community Service and Its Failed Oversight of Taxpayer Dollars,* on Tuesday, March 28, 2017. My staff and I greatly appreciate your interest in oversight of the programs, activities and operations of the Corporation for National and Community Service (CNCS). The hearing brought much needed visibility to several opportunities for improvement.

Attached are my responses to the questions that you have posed for inclusion in the hearing record. I look forward to continuing to work with you and your staff.

Respectfully,

Deborah J. Jeffrey

Enclosure

Cc: The Honorable Susan A. Davis, Ranking Member, Subcommittee on Higher Education and Workforce Development (w/encl.)

Responses of Deborah J. Jeffrey, Inspector General of the Corporation for National and Community Service, to Questions for the Record following the hearing, *Examining the Corporation for National and Community Service and Its Failed Oversight of Taxpayer Dollars*, before the House Committee on Education and the Workforce, Subcommittee on Higher Education and Workforce Development, on March 28, 2017

1. The Corporation continues to struggle to ensure grantees conduct criminal history checks in compliance with clear mandates in the law. In spite of mandatory professional development, self-assessment, and amnesty the prior year to encourage full compliance, the chief risk officer recently found significant failure rates on criminal history checks. What has the Corporation done to levy penalties against these grantees or sanction a grantee's future involvement in the program? Are these penalties effective? What would you recommend the Corporation do to prevent further inaction and strengthen compliance with the law?

Response

Congress mandated specific criminal history checks to prevent convicted murderers and sex offenders from using CNCS programs to gain access to at-risk individuals. Far too many grantees do not conduct these background checks timely and thoroughly. Last year, depending on the program, the Chief Risk Officer found that 22-41 percent of individuals supported through CNCS grants served without complete and timely criminal history checks. This level of noncompliance demonstrates that CNCS has not effectively enforced these critical safety requirements. CNCS-OIG is unaware of a single instance in which the Corporation terminated a grant or denied a new award because of noncompliance with criminal history checking requirements.

Depending on its leadership over the years, CNCS has vacillated on enforcement. From October 2011 to October 2014, its stated policy under one former General Counsel was to disallow all costs associated with a national service participant or grant-funded staff member during a period of noncompliance. Enforcement of this strict policy, however, was spotty. Program officers generally helped grantees remedy noncompliance, but often did not disallow the associated costs. CNCS's Chief Grants Officer during this period retroactively approved noncompliant practices that she acknowledged were insufficient, to avoid penalizing a grantee.[1]

After improper payments testing revealed the extent of noncompliance, in late 2014 the Corporation undertook the mandatory training and self-assessment referenced in your

[1] Semiannual Report to Congress, *Audits and Reviews: Corporation Reaffirms Decisions to Allow Costs Related to Untimely and Improperly Performed Background Checks,* at p. 14 (April 30, 2015) available at https://www.cncsoig.gov/sites/default/files/sar_15-01_0.pdf.

question, and granted amnesty. CNCS-OIG recommended that the criminal history checking requirements thereafter be strictly enforced.[2] Under a successor General Counsel, however, CNCS rejected this approach. In August 2015, over the objections of CNCS-OIG, the Corporation adopted token fines that were purposefully designed to minimize the financial consequences for noncompliant grantees. The fines ranged $250 to $1,500, subject to a 50 percent discount if the grantee self-reported.

Such nominal amounts are too low to create proper incentives. In the first case under the new penalty structure, the fine totaled $8,500, only three-tenths of one percent (.003) of the grant amount. (The grantee had returned nearly $500,000 of the award as unspent, so this small fine was unlikely to make much of an impression.) Over the six-month period analyzed by CNCS-OIG, the penalties averaged less than one percent of the funds awarded by CNCS. That's a small cost of doing business, not an effective sanction for recklessness.

Shortly before the March 28, 2017 hearing, the Chief Risk Officer advised my Office that CNCS would be doubling the fines, effective in April. A 2 percent fine is still too low, given the low probability of detection[3] and the gravity of the potential harm of allowing known predators access to at-risk communities. Now, in the wake of the Subcommittee's oversight hearing, CNCS reports that it is once again revisiting its enforcement strategy, promising to do better this time.

Enforcement of critical safety requirements should not vary widely with changes in CNCS leadership, nor should it demand constant Congressional oversight. Given CNCS's lack of success and the absence of meaningful accountability over the past six years, it is appropriate for Congress to mandate robust enforcement, which can be achieved through modest changes to 42 USC § 12645g, *Criminal history checking*:

1. Amending 42 USC § 12645g(b) and (d) to require for all national service positions (1) a *nationwide* name-based search of the National Sex Offender Public Registry and (2) a criminal history search of the FBI fingerprint database, both *to be completed prior to* the start of an individual's service as a national service participant or as a grant-funded staff member;

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[2] Semiannual Report to Congress, *Audits and Reviews: Corporation Develops Promising New Criminal History Check Policy; Further Refinements Needed to Ensure Strong Accountability,* at pp. 12-14 (April 30, 2015) available at https://www.cncsoig.gov/sites/default/files/sar_15-01_0.pdf.

[3] Enforcement is also problematic because CNCS's monitoring fails to detect most noncompliance. Monitoring site visits to grantees may occur only once every six years. CNCS does not visit most subgrantees and relies on the prime grantee (often a State Commission for AmeriCorps) to monitor compliance. Improper payments testing, the second way CNCS identifies noncompliance, looks at only a tiny sample of grantees and their criminal history checks.

2. Adding to 42 USC § 12645g(c) that an individual is ineligible to serve during any period of noncompliance with subsections (b) and (d).

3. Requiring that, in the case of fixed amount grants, CNCS disallow either a *pro rata* share of the amount awarded per person for each individual whose criminal history check is incomplete or untimely, or 25 percent of the value of the education award, whichever is greater.

Taken together, these changes would require CNCS to disallow all costs for an individual during a period of noncompliance and generally preclude it from excusing partial compliance. These changes should not be burdensome for grantees; the National Sex Offender Public Website takes only minutes to search, and CNCS has a contractor that can perform the FBI search within days.

For its part, CNCS should review grantees' criminal history checks more frequently and exercise direct oversight of subgrantees' compliance. Not only should CNCS require grantees to come into compliance and disallow costs during any period of noncompliance, it should perform a follow-up review the next year to ensure that there is no recurrence; no such reviews are currently performed, so a grantee may fail to comply year after year and still escape detection. Any grantee with repeated noncompliance should be disqualified from receiving additional grant funds. These measures must send a consistent message that criminal history checking is a high-priority item and that violations will not be tolerated, minimized or excused.

CNCS reports that it is exploring the possibility of engaging one or more vendors to perform state criminal history checks, which would relieve grantees of a task that many cannot perform successfully. Implementation of such a solution, however, would require CNCS to overcome a number of obstacles and constraints and ultimately may not be feasible. Deferring action pending such a solution is inadvisable.

2. The Fiscal Year 2017 Management Challenges Report indicates the Corporation has operated in the same inefficient manner since its inception. You advocate for a "radical restructuring" of the Corporation – going as far to say "No expert, if given a free hand to achieve CNCS's mission on an operating budget of $1 billion per year, would choose the constraints, redundancies, and Byzantine structure that characterizes CNCS and its programs." Would you elaborate on the reforms needed at the Corporation to ensure the effective and efficient utilization of taxpayer funds?

Response

CNCS's stovepipe structure impedes agency-wide management, resource allocation and flexibility. Agency leaders have limited ability to direct resources strategically as needed to meet the overall mission and do not have a portfolio-wide view of their grant risks.

Differences among programs' oversight and monitoring approaches appear to be historical artifacts, rather than reflecting a considered decision about the most cost-effective way to meet current and future challenges. Restructuring CNCS should be dictated by its mission, strategy, priorities, legal responsibilities, the drivers of success, the risks that it will confront and the workforce skills necessary to perform in these areas. Even without a comprehensive analysis of these factors, certain structural reforms suggest themselves:

1. Shrink or eliminate the $30 million National Civilian Community Corps and redirect a portion of the savings to grantees that perform comparable services, including disaster response and recovery, at a fraction of the cost.[4]

2. Consolidate financial oversight of grantees into a single office, rather than maintaining two separate grants management operations: the Federal Financial Management Center in Philadelphia, PA, which oversees Senior Corps and VISTA; and the Office of Grants Management at CNCS's Washington, DC headquarters, which oversees AmeriCorps State and National.

3. Develop a rigorous, risk-based approach to all aspects of grants management, from application to closeout, including a cafeteria approach to monitoring, with a menu of oversight activities that align to specific risks.

4. Accelerate the deployment of data analytics to support efficient, risk-based monitoring and reduce labor costs.

5. Centralize programmatic oversight of Senior Corps, thereby eliminating 52 Field Liaison offices throughout the United States. Given the small size of the average Senior Corps grant, it is unlikely that a risk-based allocation of monitoring resources would require program officers in every state.

6. Alternatively, distribute Senior Corps grants (which are effectively formula-based) either as block grants to the states or through the existing AmeriCorps State Commissions, and authorize CNCS to award large grants on a competitive basis. These changes would require legislation.

7. Use fixed-amount grants for any awards below a predetermined dollar amount, to limit risks and reduce monitoring demands on staff.

[4] For an in-depth discussion of this issue, see Report No. 17-05, *Evaluation of the AmeriCorps National Civilian Community Corps Program*, available at https://www.cncsoig.gov/sites/default/files/17-05_nccc_evaluation.pdf.

8. Align VISTA (which is part of the AmeriCorps family) with AmeriCorps State and National, rather than with Senior Corps, for monitoring purposes.

9. Monitor (and maintain grant management data) by grantee, as well as by grant and program. We understand that the new grants management database will enable this.

10. Standardize the grant application and award processes across programs, so that a grantee can simultaneously apply for grants in more than one program.

11. To the maximum extent practicable, standardize the regulatory requirements and monitoring across programs, *e.g.*, eliminate unnecessary differences between AmeriCorps grants and VISTA grants.

12. Directly monitor key risks, such as criminal history checking and prohibited activities, rather than relying on prime grantees for subgrantee monitoring.

13. Outsource administrative support functions, such as procurement, via shared services agreements.

14. Have senior leaders provide stronger oversight (including after-action assessments and accountability) of professional services, consulting and research study proposals above a predetermined dollar threshold.[5]

3. The OIG closed an investigation in November of 2016 into the Georgia Center for Nonprofits (GCN), which found GCN violated the law by improperly utilizing its VISTA members when it directed members to perform staff functions and charged clients for their services. As a result, the grantee was debarred for two years and ordered to repay over half a million dollars in disallowed costs. This illegal activity took place over a six-year period from 2009 to 2014, which is an unusually long length of time to avoid detection if CNCS did indeed employ a functioning risk-based monitoring system. To what would you attribute the failure of the Corporation to detect this illegal activity for such a long time? What corrective action should the Corporation take to more quickly detect and appropriately respond to such illegal activity in the future?

[5] For more information on the elements of effective oversight of such spending, see Report No. 14-09, *Audit of Blanket Purchase Agreements for Professional Consulting Services*, available at https://www.cncsoig.gov/sites/default/files/14-09.pdf.

Response

Here, the problem was not detection but rather a staff member's failure to respond to repeated allegations and complaints, and CNCS's failure to properly supervise an employee described by colleagues as a marginal performer, who had been denied a requested transfer to another State Office. Disruption in the employee's personal life, the transfer request and its denial should have been treated as performance risk indicators and triggered increased supervision. That did not occur.

The former CNCS Georgia State Program Specialist, who was responsible for primary oversight of this VISTA activity, failed to act on numerous complaints from VISTA members, purposely omitted significant findings from her monitoring visit reports and chose not to alert her supervisors or CNCS-OIG to many of these serious problems. In addition to the complaints, documentation furnished by GCN to the Georgia State Office showed on its face that VISTA members were expected to perform administrative tasks not appropriate for VISTA service. On at least two occasions, the State Program Specialist failed to follow instructions from the State Director, and the State Director never followed up to see whether her instructions were carried out.[6]

Willful misrepresentation or concealment by an employee poses challenges for any organization. Here, however, the State Director should have recognized that the Program Specialist had "checked out" and supervised her more closely. Spot checks of her work, including review of her monitoring visit notes, could have revealed many of the complaints on which she failed to act.

On a more prosaic note, CNCS-OIG has also recommended that VISTA develop a standardized complaint form, to be used for every complaint, and require supervisory review of responsive actions. CNCS responded that it would consider this. Maintaining a trail and accountability for responding to complaints could have enabled earlier discovery of the problems at GCN.

4. Does the OIG track recommendations made to the Corporation and the status of these recommendations? If so, please provide a summary of open recommendations with the Corporation.

Response

CNCS-OIG tracks recommendations made to the Corporation, the status of the Corporation's response and the extent to which it has implemented those recommendations. With the enactment of the Inspector General Empowerment Act of

[6] The State Director herself had a checkered history at CNCS, having been promoted after she was disciplined for misusing travel funds. In fact, while her supervisee was disregarding serious misconduct at GCN, the State Director was stealing Federal funds and charging personal expenses to government travel card. She resigned in lieu of termination in early 2014.

2016, each Semiannual Report now includes a running list of unimplemented recommendations. A copy of the most recent list is attached.

Unimplemented Recommendations						
Report No.	Report Title	Date Issued	Rec No.	Recommendation	Aggregate Potential Cost Savings, by Report or Subject	Notes
OIG-12-04	Audit of Earned Education Awards Resulting from Compelling Personal Circumstances	11/9/11	3b	Record justifications for partial education awards based on Compelling Personal Circumstances in the MyAmeriCorps Portal, using the text description capability.	$821,435	
			3c	Promote consistency and minimize errors by requiring a second level of review for each Compelling Personal Circumstances partial education award.		
			N/A	Require a doctor's note to support partial education awards based on early exit for medical reasons.		
OIG-13-06	Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to Edna McConnell Clark Foundation	6/6/13	1c	Require grantees to include searches of an individual's maiden, married or former married names when conducting National Service Criminal History Checks, and revise guidance accordingly.		
OIG-13-07	Inadequate Internal Controls Prevent the Corporation from Mitigating Significant Risks Inherent in the Fixed Amount Grants Program	9/30/13	1	Reduce vulnerabilities in fixed amount grant programs by identifying the risk drivers (to include member enrollment and retention, drawdowns and non-CNCS resources) and developing indicators by which to assess the associated risks.	Note 1	Note 1: Savings cannot be estimated with precision but are potentially significant, since CNCS lost more than $1 million on a single maladministered fixed amount grant because of inadequate monitoring procedures and controls.
			1a	Consistent with Congressional intent, define/establish criteria for the class of small and less experienced organizations for whom modest fixed amount grants would be appropriate.		
			1b	Determine the information that should be sought in the application and selection process to support prudent fixed amount grant award decisions, including requiring submission of a budget.		

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			1d	Benchmark the expected rate of member attrition so that monitoring can focus on grants with excessive attrition.		
			2e	Establish criteria for elevating seriously troubled grants for attention by senior management, to ensure that corrective action plans are successful and accountability is maintained.		
			3	Obtain quarterly information from grantees on total program expenditures and/or development of non-CNCS funding for program support.		
			4	Conduct risk assessments using appropriately weighted criteria that are relevant to the risks posed by fixed amount grants, including the grantee's ability to contribute funding from non-CNCS sources.		
OIG-14-04	Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to Arkansas Service Commission	11/14/13	11d	Recover the grant costs associated with successive service terms of AmeriCorps members who were not eligible to serve a second term because they did not receive an evaluation of their first term of service.	$4,602	

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OIG-14-09	Audit of Blanket Purchase Agreements for Professional Consulting Services	6/20/14	1	Establish a standardized entity-wide decision process for the use of consulting/professional services, to include and document consideration of (a) the need for the project; (b) specificity and suitability of design; (c) the intended users; (d) any alternative means of accomplishing the objective; (e) how the project's progress will be monitored and by whom; (f) how quality, value and success of the project will be measured/evaluated, relative to its cost; (g) whether the particular project is the best use of CNCS resources, in view of competing needs and priorities and CNCS's overall strategy, objectives and priorities; and (h) how the project links to CNCS's strategic plan and the strategic objectives of the requesting office. Mere availability of funds within a particular office's budget should not, without more, justify the expenditure.	$973,594 Note 2	Note 2: Savings cannot be estimated with precision but likely represent several million dollars, because a small sample included waste of $892,263 and unauthorized commitments of $81,331 during a three year period.
			2	Establish a central committee to review and approve any consulting projects that exceed pre-established cost thresholds. Include an OPS representative on the committee or in an advisory capacity.		
			6	Require meaningful review of contractor and subcontractor cost proposals, and maintain appropriate documentation of the review and its conclusions in the contract file. Develop procedures to guide staff in determining the types and sources of information to be considered.		
			10	Create a centralized tool to track deliverables, to be reviewed at defined intervals.		
			18	Institute a post-performance review of each consulting project to assess lessons learned; determine whether project objectives were met; and evaluate the impact of the deliverables and success of the project, including a cost-benefit analysis. Use the results to maintain accountability and improve the procurement process.		

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OIG-15-05	Audit of Corporation for National and Community Service Grants Awarded to Tufts University/Massachusetts Campus Compact	5/14/15	6b	Timely share key information about grantee performance/nonperformance across programs and grant offices.		
OIG-15-06	Audit of Corporation for National and Community Service Cooperative Agreements Awarded to AFYA Incorporated and Education Northwest	6/25/15	1	Identify risks specific to training and technical assistance cooperative agreements and develop indicators to assess them. Consider special terms and conditions of the cooperative agreement, the status of a grantee's Negotiated Indirect Cost Rate Agreement, fraud risks and deficiencies identified in prior oversight or monitoring of the grantee.		
Various	Risk Management (multiple reports)	N/A	Various	Develop a rigorous and tested risk-based process for monitoring grants that takes into account the characteristics of grant types and the risks associated with them. Discontinue the one-size-fits-all approach that uses criteria applicable to traditional cost reimbursement grants to assess risks of fixed-amount grants and grants for technical training and assistance. Align monitoring activities to risks.	Note 3	Note 3: Savings are difficult to estimate with precision but likely represent millions of dollars, in better grant-making, early detection of problems and more efficient and effective monitoring.
		N/A		Validate risk indicators and risk models against outcomes and use outcomes to identify other factors that could sharpen the risk analysis.		

Report No.	Report Title	Date Issued	Rec No.	Recommendation	Aggregate Potential Cost Savings, by Report or Subject	Notes
OIG -16-04	Performance Audit of the Corporation for National and Community Service's Compliance with the Improper Payments Elimination and Recovery Act of 2010 for Fiscal Year 2015	5/13/16	1	Strengthen internal controls over the Agency Financial Report (AFR) to ensure that the Improper Payments section (Section IV, *Other Information*) contains each of the elements required by OMB Circular No. A-136 and that the reported information is complete and accurate.	Note 4	Note 4: CNCS's own estimates suggest that it has made hundreds of millions of dollars of improper payments over the past five years. Quantifying those payments, establishing a baseline and addressing the root causes are necessary steps to reduce those improper payments.
			2	Use consistent and appropriate statistical methodologies to identify those programs susceptible to $10 million in improper payments, sample payments and extrapolate the rate and amount of improper payments across programs.		
			3	Work with a qualified statistician to develop a simpler and executable sampling methodology, to include sufficient oversight throughout the IPERA process to ensure that the results are sufficiently reliable.		
				Commit sufficient resources to complete the sampling and associated testing within the timeframe required to meet IPERA reporting requirements in the AFR.		
				Hold accountable those grantees that fail to respond to requests for documentation required to support the improper payments assessments.		
			5	Develop a comprehensive testing methodology and test plan that incorporate all legal and regulatory allowability and eligibility criteria applicable to CNCS-sponsored payments, and apply it consistently to sampled payments. Provide mandatory training to reviewers to ensure consistency.		
			5	Retain sufficient documentation to allow proper oversight.		
			6	Identify the root causes of improper payments in the AmeriCorps State and National Program and take appropriate programmatic corrective actions to reduce those payments.		
			6	Develop and report realistic reduction targets, explaining the justification in the AFR.		
			8	Assess whether payment recapture audits or other recovery activities are cost-effective for programs that expend $1 million or more annually, and retains documentation reflecting the analysis performed.		

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			6	Comply with the reporting requirements for agencies that have been unable to comply with IPERA for three consecutive fiscal years, including: submitting a plan to OMB and Congress that outlines the milestones for achieving compliance; designating a senior agency official accountable for achieving compliance; and, assessing whether additional funding, program reauthorization or statutory changes would help bring CNCS into compliance with IPERA.		
OIG-16-05	Audit of Corporation for National & Community Service Grants Awarded to Hoopa Valley Tribe and multiple other reports related to Criminal History Checks	11/13/15	1	Increase penalties for criminal history check (CHC) violations above the nominal level, so that they command appropriate attention from grantee leaders, incentivize strong risk management and deter noncompliance. Discontinue the no-harm-no-foul approach to CHC noncompliance and demand strict compliance.	$61,400,000 Note 5	Note 5: Aggregate potential savings based on CNCS's projections of CHC-related improper payments reported in FY 2015 Annual Financial Report (AFR) for AmeriCorps State and National and FY 2016 AFR for Senior Corps programs. This is both a critical safety precaution and a means to reduce the improper payments described in IPERA assessments.
			3	Sanctions for CHC noncompliance should reflect: (1) that complete and timely criminal history checking is a critical safety measure to protect individuals in at-risk communities from harm at the hands of convicted murderers or sex offenders, not a garden-variety regulatory requirement; and (2) that individuals, grantees and CNCS would face catastrophic consequences if noncompliance allowed a predator to harm an individual in a CNCS-funded program.		
			4	Adopt a risk-based approach to CHC compliance.		
Various	Criminal History Checks (multiple reports)			Provide training for grantees in practical approaches to prevent and detect sexual abuse.		
OIG-17-01	Audit for the Corporation for National and Community Service's Fiscal Year 2016 Financial Statements	11/14/16	1	Senior leadership should continue to take a leading role and comply with the operating guidelines for the Risk Management Council (RMC) and the Risk and Assessment Committee (RAC). Engaging senior leadership in an effective internal control program allows for comprehensive risks to be considered and analyzed, issues encountered (e.g., resources and turnover) to be addressed, potential deficiencies to be discussed, and corrective actions to be actively monitored on a timely basis.		

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			2	Engage the RMC, RAC and program and financial managers in continuing efforts to build a comprehensive enterprise-wide risk assessment and monitoring process. Use the results of the initial ELC assessment report to further develop responses to the risks identified. Test the design and effectiveness of key internal control to identify and respond to risks, and monitor these controls on a routine basis.		
			3	The Office of Chief Risk Officer (OCRO) should develop integrated internal control testing with management's responsibilities related to financial management (with an emphasis on grants management), Federal Information Security Modernization Act /information technology, Improper Payments Elimination and Recovery Act compliance, and during audit resolutions of the OIG contract audits.		
OIG-17-05	Evaluation of the National Civilian Community Corps (NCCC) Program	12/5/16	1	Reserve NCCC's expensive program model for services that NCCC can perform cost-effectively. Reevaluate the appropriate balance between NCCC and other programs that cost taxpayers substantially less for comparable service activities and redirect NCCC resources accordingly.	$60,000,000 Note 6	Note 6: Based on redirection of 40 percent of NCCC's funding.
			2	Develop a comprehensive and independent recruitment and retention program that provides appropriate support for individuals from disadvantaged circumstances.		
			3	Assess the programmatic performance of each NCCC campus and share the results with campus leaders.		
			4	Establish policies and procedures to place weight on cost effectiveness when determining which teams to deploy for disaster responses.		
OIG Management Challenges	Modernizing Information Technology	12/7/16	4	Actively engage senior management in close oversight of the Grants and Member Management Modernization program, because (1) CNCS lacks a track record for managing projects of this complexity and magnitude; (2) CNCS programs urgently need better IT support for their operations and oversight; (3) the amounts at risk--more than $40 million--are substantial; (4) the modernization effort has already experienced significant delays; (5) there are no release dates for Phases 2 and 3 of the plan; and (6) IT development and acquisition projects are recognized throughout the Federal government as carrying high risk.	Note 7	Note 7: Savings difficult to quantify with precision but are likely substantial for reasons stated.
			5	Eliminate duplicative oversight structures and reorganize for risk-/portfolio-based grant monitoring.	Note 8	Note 8: Potentially substantial savings to be realized from consolidation of monitoring operations.

Report No.	Report Title	Date Issued	Rec No.	Recommendation	Aggregate Potential Cost Savings, by Report or Subject	Notes
OIG Special Report	Prohibited Activities: Missed Opportunities, Red Flags Ignored and Next Steps to Improve Grants Management at CNCS	12/21/16	1	Develop and communicate publicly a clear explanation of what constitutes "abortion services" and "referrals" within the meaning of the statutory prohibition, then formalize this guidance through rulemaking.		
			1	Construe the abortion prohibitions broadly to bar services or activities directed at abortion.		
			1	Determine whether any of the other "prohibited activities" require explanation, clarification or guidance.		
			1	Guidance should include instructions as to what grant-funded personnel may and may not do when asked for prohibited assistance or to perform a prohibited activity.		
			1	Guidance should make clear that avoidance of prohibited activities must be treated as a top priority, and that a grantee proceeds at its peril if it undertakes any activities that potentially impinge on prohibited activities without first obtaining written guidance from CNCS.		
			2	Target the new guidance about the abortion prohibitions to grantees/subgrantees whose programmatic activities place them at elevated risk of encountering issues related to the abortion restrictions, including those whose service activities involve providing healthcare to women and girls of childbearing age, as well as those with service activities directed at education or mentoring of girls and young women middle school-aged and above.		
			2	Develop mandatory online training for grantees at elevated risk regarding the abortion restrictions.		
			2	Require grantees at elevated risk regarding the abortion prohibitions to determine and report any current and past activities outside the scope of the new guidance.		
			3	Conduct the same risk assessments, identification of at-risk grantees, communications and targeted monitoring for other prohibited activities.		

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			4	Identify any other factors that may increase the risk of individual prohibited activities and use that information for targeted education, training and monitoring as appropriate.		
			6	Enhance the capacity of eGrants to store and search critical emails. Institutionalize policies and procedures to allow program and grant officers to capture key emails in eGrants, and develop criteria for identifying emails to be captured.		
			7	Build into CNCS's to-be-developed Enterprise Risk Management strategy and planning a component for specific prohibited activities, commensurate with magnitude of the risk, including the reputational and political risk to CNCS.		
			8	Accelerate development of a more focused, targeted and risk-based model and approach to all grant monitoring, including continuous assessment of the effectiveness of CNCS'S grant risk assessments and monitoring.	Note 9	Note 9: Savings difficult to quantify with precision but are likely substantial given the size of CNCS's grant portfolio.
			9	Immediately develop and implement monitoring strategies for specific prohibited activities that can be conducted frequently, do not depend on site visits and provide a meaningful opportunity for prompt detection of violations or red flags, including searches of social media sites and surveys of members in accessible language, perhaps using the MyAmeriCorps Portal.		
			10	Determine during the grant application process whether an applicant is at particular risk for one or more specific prohibited activities. If so, require the grantee to develop customized ways to address compliance with that prohibition, including detection controls. Incorporate the resulting information into the monitoring plan and target CNCS monitoring activities accordingly and assess the effectiveness of the measures taken by the grantee.		

Report No.	Report Title	Date Issued	Rec No.	Recommendation	Aggregate Potential Cost Savings, by Report or Subject	Notes
OIG-17-03	Fiscal Year 2016 Federal Information Security Modernization Act Evaluation of the Corporation for National and Community Service	12/22/16	Various	A total of 36 recommendations, including many beginning in FY 2014, remain open from our annual FISMA evaluations. These open recommendations address weaknesses found in a variety of areas, including the following: • Lack of a Formally Documented and Fully Implemented Information Security Continuous Monitoring Strategy (FY 14-FISMA-NFR 1) • Multiple Weaknesses with Vulnerability Scanning and Remediation (FY 14-FISMA-NFR 2) • Risks to the Confidentiality and Availability of Voice Communications (FY 14-FISMA-NFR 6); • Inadequate Enterprise-Wide Risk Management Policies and Practices (FY 14-FISMA-NFR 9) • Weaknesses with the Corporation's Security Planning and Assessment Process (FY 14-FISMA-NFR 10) • Inadequate Control Over Remote Access (FY 14-FISMA-NFR 13) • Inadequate Disaster Recovery Plan Documentation and Planning (FY 14-FISMA-NFR 14) • Access Controls Over the Corporation's Network and Momentum Financial User Accounts Need Improvement (FY 15-FISMA-NFR 2) • Inaccurate Inventory of Physical Information Technology Asset (FY 15-FISMA-NFR 4) • Secure Configuration Management Policies, Procedures, and Practices Need Improvement (FY 16-FISMA-NFR 1) • Insufficient Monitoring and Remediation of Server Backup Failures (FY 16-FISMA-NFR 2)	Note 10	Note 10: Given the consequences of a security breach, the potential savings associated with strengthening IT security are substantial.
				Total Potential Cost Savings	$123,199,631	

[Whereupon, at 12:06 p.m., the subcommittee was adjourned.]

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