

OVERSIGHT HEARING ON THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

HEARING BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTH CONGRESS FIRST SESSION

MAY 18, 1995

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OVERSIGHT HEARING ON THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

THURSDAY, MAY 18, 1995

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES AND
INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:39 a.m., in room 2247, Rayburn House Office Building, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Chrysler, Davis, Fattah, Green, Lantos, Martini, Morella, Shays, and Towns.

Staff present: Lawrence J. Halloran, staff director and counsel; Demi Greatorex, professional staff; Kim Cummings, document clerk; Thomas M. Costa, clerk; Ron Stroman, deputy minority staff director; and Cheryl Phelps, minority professional staff.

Mr. SHAYS. I'd like to call this hearing to order, and to apologize. I vowed that, as a chairman, I'd never be late to one of my own hearings. And I had 450 students in three different groups, and all of them were late. I would like to welcome all of you here today. It's been 8 months since AmeriCorps program began. This oversight hearing is the first attempt by this committee, which has oversight jurisdiction, to evaluate the performance of the national service effort.

Our goal for this hearing is to take a balanced look at the implementation of National Service and Community Service Trust Act of 1993; to measure the benefits of national service in terms of the tangible and intangible value of these programs to the participants, the communities served, and our Nation; and to advance the congressional debate over spending priorities, as we take the first step on a 7-year path to balance the Federal budget.

Service to one's community and country is not new. It transcends the partisan politics of any given era, and stands as an enduring part of our national ethic. The Civilian Conservation Corps mobilized citizens during the Depression. President Nixon signed the Youth Conservation Corps Act of 1970 and the Domestic Volunteer Service Act of 1973. With bipartisan support, President Bush signed the National Community Service Act of 1990. Again with bipartisan support, President Clinton's AmeriCorps initiative was enacted in the National and Community Service Trust Act of 1993.

All of these efforts are based on the belief that toil and the service of one's fellows men ennobles and enriches beyond estimate. I am going to submit the rest of my testimony for the record, and

just welcome those who are going to be testifying here today. We're pleased to have the CEO of the Corporation of National and Community Service, Eli Segal, with us today. Other witnesses testifying on corporations programs are James Witt, Director, Federal Emergency Management Agency; James Joseph, chairman of the board of the Corporation for National and Community Service; deputy commissioner John Timoney of the New York City Police Department; Phillip Wu, an AmeriCorps member; and Eugenia Bloom, the parent of an AmeriCorps participant.

Also with us today are Allyson Tucker of the Heritage Foundation; Jill Lacey of the Capital Research Center; and John Walters, of the New Citizenship Project. They take a critical view of national service.

It's nice to have the opportunity to see and hear from those who run the corporations programs; those who feel they are benefited by it; and those who take a critical view. We look eagerly to analyze the views of all of those who will testify.

[The prepared statement of Hon. Christopher Shays follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER SHAYS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CONNECTICUT

Welcome. Today—one and a half years after the creation of the Corporation for National and Community Service, and eight months after the AmeriCorps program began—this oversight hearing is the first attempt by this committee to evaluate the performance of the national service effort.

Our goals for this hearing: To take a balanced look at the implementation of the National and Community Service Trust Act of 1993. To measure the benefits of national service in terms of the tangible and intangible value of these programs to the participants, the communities served and our nation. And, to advance the congressional debate over spending priorities as we take the first steps on a seven-year path to a balanced federal budget.

The idea of service to one's community and country is not new. It transcends the partisan politics of any given era, and stands as an enduring part of our national ethic. The Civilian Conservation Corps mobilized citizens during the Depression. President Nixon signed the Youth Conservation Corps Act of 1970, and the Domestic Volunteer Service Act of 1973. With bi-partisan support, President Bush signed the National Community Service Act of 1990. Again with bi-partisan support, President Clinton's AmeriCorps initiative was enacted in the National and Community Service Trust Act of 1993. All of these efforts are based on the belief that toil in the service of one's fellow men ennobles and enriches beyond estimate.

My own belief in the value of such service is grounded in personal experience. During the 1960's, President Kennedy appealed to young people throughout the nation to help make the world a better, stronger and safer place through a new program called the Peace Corps. My wife, Betsi, and I wanted to become a part of that vision. The two years we spent as Peace Corps volunteers changed our lives, and the lives of those we served.

I hope and pray that each generation of Americans has that same opportunity to serve at home or abroad. So today we ask if service programs like AmeriCorps meet the high standards set by our history and our duty to tomorrow's participants.

In this inquiry, the Corporation for National and Community Service will be held accountable to the same standards and measures we have applied to other federal programs and agencies. Candidly, I think we can hold it to a higher standard. Now that the Corporation has had the opportunity to launch its AmeriCorps program and combine other federal national service programs under its administration, the question must be answered: Is the Corporation for National and Community Service fulfilling its mission in the most effective and efficient manner possible?

In the coming months both the General Accounting Office and a private research group, Kormendi-Gardner Partners of Washington, D.C., will be completing evaluations of the Corporation and its programs. Both reports promise to provide further insight on the costs and benefits of national service programs, and this subcommittee looks forward to reviewing their findings.

In preparation for this hearing, I directed certain questions to the Corporation regarding program costs and expenditures. My letter of inquiry, and Mr. Segal's re-

sponse, are attached to, and included as part of, this statement. Our focus today will be the quality and the quantity of the service opportunities afforded by AmeriCorps programs. We will also discuss the appropriate role of federal service programs in relation to the broad array of private volunteer efforts.

The National and Community Service Trust Act of 1993 challenged young Americans to make a difference through a "domestic Peace Corps" program known as AmeriCorps. Its goals are to match citizen service efforts with unmet human, educational, environmental and public safety needs and to renew the ethic of civic responsibility and the spirit of community service.

As someone who has long advocated greater federal budget discipline, I had reservations about a new spending initiative in 1993. But I concluded that the AmeriCorps program promised to be a wise investment, yielding benefits to participants and communities many times greater than expenditures. Nothing I heard or read during the debate in 1993 successfully challenged that conclusion.

Today, I look forward to an open and frank discussion of the AmeriCorps program's performance in fulfilling its great promise. In this endeavor, facts speak more persuasively than fables, and good data carries more weight than good intentions.

The future of AmeriCorps may well be determined by how we do our job. Within the hour, the House will resume debate on an historic budget resolution, recommended by the Budget Committee, on which I serve. I am proud of that budget. It sets a course to fiscal balance and rescues our future from a crushing burden of debt. But in that budget, the FY 96 spending target set for the Education, Training and Social Services function, which includes the Corporation for National and Community Service, has been reduced \$2.4 billion below current baseline projections.

To earn its place in the final appropriations bill, the Corporation and its AmeriCorps programs will have to prove their worth. I stood up for the value of national service during consideration of the FY 95 rescissions bill, and I will continue to do all in my power to make that case. In that effort, I appreciate the thoughtful and heartfelt views of our witnesses today, both pro and con.

We are pleased to have the CEO of the Corporation for National and Community Service, Eli Segal, with us today. Other witnesses testifying on Corporation programs are: James Witt, Director, Federal Emergency Management Agency; James Joseph, Chairman of the Board of the Corporation for National and Community Service; Deputy Commissioner John Timoney of the New York City Police Department; Phillip Wu, an AmeriCorps member; and Eugenia Bloom, the parent of an AmeriCorps participant. Also with us today: Allyson Tucker of the Heritage Foundation, Jill Lacey of the Capital Research Center and John Walters of the New Citizenship Project. They take a critical view of national service programs.

We are grateful to all of our witnesses for their participation in this hearing.

I want to say, for the record, just for honesty in advertising, that I was fortunate to help write this bill. I believe strongly in national service and AmeriCorps. So to the critics here today, I just want to be up front and say I am a strong supporter of this program. I intend to be fair to all the participants. We will be asking, I hope, important questions of everyone. It was a privilege for me to introduce the President's bill to the committee, and it was a privilege for me to help write this legislation.

I was particularly grateful to the administration, that even though a minority of Republicans voted for this legislation, they still allowed us, as a minority, to have as much say as the majority. Steve Gunderson says that this program is a Democratic program with a Republican delivery system. I happen to think that it is the best example of involving local communities, and to have a structure that provides for innovation, because it's not national in its orientation.

The danger is, when you allow for so much flexibility, you might have some bad programs. And we're here to investigate if there are bad programs, and how many, and what can be done about it. I welcome our two colleagues, Mr. Lantos, with whom I served on this committee for many years as chairman; and Gene Green from

Texas. Mr. Green, you were here first, and I'd welcome any comments you might like to make.

Mr. GREEN. Thank you, Mr. Chairman. As our ranking member comes into the room, I'd like to thank the chairman for this opportunity to be here today to talk about national service. I was also on the committee last session, then called the Education and Labor Committee, that helped write this bill. And I appreciate the chairman's vocal and visible support for the program, and I hope we can work to save this contribution to our society.

National service helps build a sense of citizenship, commitment and community in our young people all over the country. It's a program passed with bipartisan support, that rewards service to our country and teaches our young that, as citizens, that they not only have rights, but they also have responsibilities. And critics say that national service aims to replace private charity and unpaid community service. In my area in Houston, I have not seen that happen.

In fact, what it has accomplished is supplementing the good work of a lot of our charities and community service organizations, and provide a framework for children, particularly in my district, in inner city Houston, to be able to not only serve their community, but also to have something and to receive for that service in paying back some of their student loans or paying for some of their college education.

National service is a model, as the chairman said. All my life I've heard about the success of the CCC camps, from my parents and my grandparents. And this builds on that with a commitment to the community. And I would hope, 50 years from now, Mr. Chairman, we will hear the same thing from not only our generation, but a younger generation, saying the success of the national service, as much as the success of the CCC in building our country in the 1930's.

Again, I'll submit my full statement, and thank the Chairman for the opportunity to be here.

Mr. SHAYS. I thank the gentleman for being here. Mr. Lantos, we'd appreciate a statement from you, if you'd like to give one.

Mr. LANTOS. Thank you very much, Mr. Chairman. And let me first just comment that I have a concurrent hearing going on in International Relations, where I need to be. I would like to begin by commending you, Mr. Chairman, for your unwavering and long-standing support for national service. This comes quite easily to Chairman Shays, because of his exceptional service with our Peace Corps.

He is a true champion of volunteer service, and I applaud him for holding this hearing, particularly at this critical juncture in debate in this country, which unfortunately is taking the direction of tearing whatever community-building activities we have to shreds. I also welcome the opportunity of paying tribute to the chief executive officer for the Corporation for National and Community Service, Mr. Segal; who has done a remarkable job in fashioning functioning and effective and worthwhile organization in record time. And I'm very proud, publicly, to say thank you, sir, for the outstanding job you have done.

I also want to commend the director of FEMA, who has had more than his share of crises, and has done an outstanding job in using

AmeriCorps members in disaster relief efforts. Mr. Chairman, I am nothing short of appalled at this attempt, at a time when our communities and our families are being destroyed, to see this frontal assault on one of the most ennobling, significant, community-building operations in our Nation.

I find it particularly intriguing that the very people who, with great enthusiasm, embrace a document called the Contract with American Families, which tends to impose a very narrow view of what the American family is on 260 million diverse individuals, simultaneously are rejoicing at tearing down what, in many ways, is the domestic equivalent of the Peace Corps, admittedly, one of the most successful American ventures in over a generation.

In my own congressional district, AmeriCorps funds provide programs in both San Mateo and San Francisco counties for over 200 full-time AmeriCorps members, who work with community-based organizations in reducing crime, improving child care, working on affordable housing, running substance abuse awareness programs, and in general, helping American families who desperately need help.

It turns one's stomach, it certainly turns my stomach, to see this Congress provide the Benedict Arnolds in the economic sphere—who have made hundreds of millions of dollars, and are trying to escape their income tax liability—allowing them to duck their income tax liability by declaring themselves to be citizens of the Bahamas, but not allowing young men and women, driven and motivated by community service, to do something for their fellow citizens.

We sure have a value crisis in this country, because the values of the arrogant, breast-thumping group, which seems, in the ascendancy, are so skewed from anything that is typical of the values that built this country, as a bumper strip I noticed coming to work clearly indicated, the Christian Right is neither. And I think it's important for us to stand up for this most significant program.

Now, I suspect, Mr. Chairman, it's easier for me, as a Democratic member of this body who used to chair this committee, to say strong things about this program that Mr. Segal heads. And again, in closing, I want to pay tribute to you, who has always risen above partisanship. And when you and I worked this committee, it was a truly bipartisan operation. And I hope, in terms of protecting these programs, we will again be able to function in a bipartisan manner. I request permission to enter my full statement in the record.

[The prepared statement of Hon. Tom Lantos follows:]

PREPARED STATEMENT OF HON. TOM LANTOS, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

I would first of all like to commend you, Chairman Shays, for your unwavering and longstanding support of national service. You are one of the true champions in the Congress of volunteerism. I applaud you for holding this hearing at such a critical juncture in the political debate over the future of Corporation for National and Community Service.

Mr. Chairman, the Republican Rescission bill makes drastic cuts in the Corporation for National and Community Service funding. The Corporation's FY '95 \$575 Million appropriation would be cut by \$210 million. I oppose these cuts and urge President Clinton to follow through on his veto threat and veto this legislation.

I am extremely concerned, Mr. Chairman, that the House Republican Budget completely eliminates funding for the Corporation for National Service and the programs under its charge. This means that this year thousands of young people serving local communities all over the nation—more than four times as many as the Peace Corps—will not be able to improve our communities in such areas as, health, by organizing AIDS education programs, caring for senior citizens, providing child care training and services, and immunizing children against preventable diseases. We are making it more difficult for our young people to work in areas of community development, where they are renovating low-cost housing, refurbishing senior centers, helping the homeless, providing job training. There will no longer be any more funding available to fight crime, through community policing programs and providing program alternatives to reduce juvenile crime and juvenile delinquency. The elimination of funding for the Corporation means that over the next seven years, at least 300,000 young people will not have the opportunity to help our communities or pay for college through national service.

Mr. Chairman, in my own Congressional district, AmeriCorps funds programs in San Mateo and San Francisco Counties where more than 200 full-time AmeriCorps members work in collaboration with community based organizations to improve our communities in the areas of 1) reducing crime, 2) improving child care, 3) developing affordable housing, 4) running substance abuse awareness workshops, 5) training young tutors, and 6) helping families find health care and other services. All of these activities are worthy of our support and continued funding.

Mr. Chairman, AmeriCorps is an invaluable program for this generation and future generations because it makes an investment in the young people of today by helping them pay for their education in return for community service. There have been a lot of inaccuracies and distortions that have been used to discredit national service and the volunteer corps. It is my hope that this forum will provide us with a reasoned discussion about the value of AmeriCorps, which is putting creative, dedicated and committed young people to work and addressing the real social issues facing our local communities.

Mr. SHAYS. Without objection, I'd ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record, and that the record remain open for 3 days for that purpose. And without objection, it is so ordered. I also ask unanimous consent that our witnesses be permitted to include their written statements in the record, so that they can summarize their statement. And without objection, that's so ordered.

[The prepared statement of Hon. Bernard Sanders follows:]

PREPARED STATEMENT OF HON. BERNARD SANDERS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF VERMONT

Mr. Chairman, I am pleased that you called this important hearing today on the Corporation for National Service. I am aware that you yourself were involved in the Peace Corps, and I congratulate you for giving your energy, dedication and time to develop communities around the world. I am sure you understand my outrage that the recently passed House budget that shuts the door on all the National and Community Service programs throughout this country.

In my own state, 10,000 Vermonters are engaged in National Service programs. Over the past two years Vermont has received more than \$2 million from the Corporation for National and Community Service to support the work of thousands of concerned and dedicated Vermonters involved in community service. For example, over 5,000 of Vermont's seniors continue to serve Vermont's communities through the National Seniors Service Corps program: Foster Grandparents, Senior Companions, and the Retired and Senior Volunteer Programs. Nearly 150 Vermonters, through AmeriCorps are committing 1-2 years of their lives to service in exchange for a chance to afford the skyrocketing cost of higher education. Thousands more Vermonters, through Learn and Service America are developing skills they'll use throughout their lifetime while helping their communities take care their educational, public safety, human and environmental needs. What kind of activities are we talking about?

- Working side-by-side with community volunteers providing routine home maintenance for those chores that are often impossible for elderly and disabled persons to accomplish on their own and enabling individuals to be integrated into their communities.

- Working in classrooms as tutors; assisting individuals with Alzheimers disease; providing computer training, and nature trail construction.
- Helping to solve local environmental problems, repairing and upgrading community facilities, promoting sustainable farming, conducting environmental education seminars, and preserving and restoring national forests.
- Low-income seniors providing individual attention and guidance to children with mental, physical or emotional disabilities, and low-income seniors providing assistance to frail adults so that they may maintain their highest level of independent living.

Mr. Chairman, the cost of paying for college now ranks as one of the most costly investments for American families, second only to buying a home. During the 1980s the cost of attending college soared by 126 percent. The truth is that families are making up the cost of a declining federal commitment to higher education. It is simply not acceptable that millions of young people are denied access to higher education because of the limited income of their families.

Today's debate is about priorities. It's about whether we stand behind the future of our children or we support cuts in over \$30 billion in student grants, loans and federal aid to higher education as the House-passed budget proposes to do—including the complete termination of the National and Community Service Programs. It's about whether we as a nation understand the importance of preparing the workforce of tomorrow with education today. It's about whether we stand behind working families in their efforts to send their children to college when they are working longer hours for less pay. It's about assisting seniors in their work with children as foster grandparents and their work with other seniors as companions through difficult and challenging times.

National and Community Service helps remove some of the economic barriers to attending college by allowing students to pay off their student loans by working in their community on important educational, environmental, and poverty programs. By paying students for their work and enabling students to pay off their loans, National Service recognizes the current situation for most college students—namely, most of them are currently working. In fact, nearly half of all full-time students in the 16–24 age group and 62 percent of students in all age categories work—often as much as 35 hours a week. Our higher education policy must continue to serve college students as they are, not as we imagine them to be.

The truth is our college students and their families are paying the price of a unconscionably declining Federal commitment to higher education. Since its earliest involvement in higher education policy, the federal government's ultimate goal has been to guarantee an equal opportunity for Americans to attend and graduate from college. If we continue to pare back our commitment to Pell grants and eliminate the in-school interest subsidy for student loans as the House-passed budget has done—our students will have little opportunity—to attend school without facing enormous debt. We must offer college students both National Service and a solid commitment to Pell grants, work study, supplemental educational opportunity grants, Perkins and Stafford Loan programs and the State Student Incentive Grants. Instead the GOP budget adds \$5000 to the cost of the average student loan by charging students interest on their loans while they are in school.

In addition, we must continue to recognize our changing student population and the obstacles currently preventing them from completing college. National Service recognizes and addresses many of those obstacles. Today about 43 percent of our students are over the age of 25—40 percent are enrolled on a part-time basis—and more women than men attend college, as has been the case since 1979. National Service provides awards to full and part-time students; it provides family leave to participants; and it allows states and other grant recipients to fund their own health insurance policy and make child care available. National Service removes additional barriers that would have prevented much of our diverse student population from participating in National Service.

Let us get our priorities straight. National Service and other federal programs providing financial aid to students are funding priorities that this Congress can no longer afford to ignore. We must oppose any and all efforts to cut back on financial assistance to students—especially those efforts outlined in the House-passed budget plan—and preserve programs that allow Americans of all ages to work with and improve our communities.

And I'd like to assure the gentleman, Mr. Lantos, that it's been a pleasure to work with Mr. Towns. He has been so very cooperative, and I think we've run this committee on the bipartisan basis

it needs to be run on. Mr. Towns, thank you for your patience, the ranking member.

Mr. TOWNS. Thank you very much, Mr. Chairman. And Mr. Lantos, I was happy to hear you say that you were still a Democrat. When I saw you on that side, I got a little nervous.

Mr. LANTOS. Just a matter of physical confusion.

Mr. TOWNS. Oh, I see, you know, the way things are going around here today. But anyway, Mr. Chairman, let me again thank you for your leadership on this particular issue. There's no question about it—you've been in the forefront, not only today, but down through the years. And I want you to know that we appreciate that—you providing leadership along this issue.

This forum today, to consider the programs and performance of the Corporation for National and Community Service, today's oversight hearing is important because we share the concerns that this agency not fall victim to the prevailing political prerogatives, but be evaluated on its merits. Your personal history adds to the relevance of our examination of this agency's operation. While I like to believe I come to this hearing with an open mind, I fully support the concept of a national ethics of civic responsibility.

For me, for the administration, and for hundreds of national and local volunteers, charitable and service organizations, colleges and universities, schools, community health centers, and police and sheriff's departments, the Corporation for National and Community Service embodies that concept. In today's environment of fiscal conservatism, it is unfortunate that the corporation cannot demonstrate its true return of our investment or savings to our communities.

If it could, our oversight would be a much easier task. However, the advantages of the national service program are tangible, even if the arithmetic is cumbersome. In its year and a half of operation, the corporation has broadened the pool of citizens engaged in public service. It has added to the quality and capacity of community-based organizations; and very likely, it has influenced an ideology of civic involvement among our youth that will last a lifetime.

I think that's something that we cannot measure. But I can tell you, just from my observation and seeing and talking, that is something that we should not take lightly. Much of my enthusiasm for the corporation has to do with this decentralization of program authority to the State and, ultimately, to the local communities. This is no new Federal bureaucracy. Each State defines its needs, determines how it will use Federal resources, and make its own investment in its citizens.

For those of us in Congress who have been looking for workable solutions for a more responsive, more efficient and less bureaucratic Federal Government, this is an alternative that should be given some serious consideration. If we are going to be consistent with our rhetoric, this is something that we should do. Mr. Chairman, I would like to yield back the balance of my time.

[The prepared statement of Hon. Edolphus Towns follows:]

PREPARED STATEMENT OF HON. EDOLPHUS TOWNS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman, thank you for providing us this forum to consider the programs and performance of the Corporation for National and Community Service. Today's

Oversight Hearing is important because we share the concern that this agency not fall victim to the prevailing political prerogatives, but be evaluated on its merits. Your personal history of volunteerism adds to the relevance of our examination of this agency's operations.

While I'd like to believe I come to this Hearing with an open mind, I fully support the concept of a national ethic of civic responsibility. For me, for the administration, and for hundreds of national and local volunteer, charitable and services organizations; colleges and universities; schools; community health centers; and police and sheriff departments, the Corporation for National and Community Service embodies that concept.

In today's environment of fiscal conservatism, it is unfortunate that the corporation cannot demonstrate its true return on our investment or savings to our communities. If it could, our oversight would be a much easier task. However, the advantages of this national service program are tangible, even if the arithmetic is cumbersome.

In its year and a half of operations, the corporation has broadened the pool of citizens engaged in public service, it has added to the quality and capacity of community-based organizations, and very likely, it has influenced an ideology of civic involvement among our youth that will last a lifetime.

Much of my enthusiasm for the corporation has to do with its decentralization of program authority to the States and ultimately to the local communities. This is no new Federal bureaucracy—each State defines its needs, determines how it will use Federal resources, and makes it's own investment its citizens.

For those of us in Congress who have been looking for workable solutions for a more responsive, more efficient, and less bureaucratic Federal Government, this is an alternative that should be given some serious consideration.

Finally, allow me to mention the authorship of a few testimonials that the corporation has received in support of its activities, and request that, if it is available, we enter this correspondence in the record of today's hearing:

- The National and Community Service Coalition, which includes the American Association of University Professors; Big Brothers and Big Sisters; the AARP; and the National Council of Churches among others;
- The American Red Cross, and the United Way of America; and
- Several State Governors, including Governor Weld of Massachusetts, Engler of Michigan, and Wilson of California.

Mr. Chairman, I join you in welcoming our witnesses here today. However, I would like to especially acknowledge First Deputy Commissioner Timoney of the New York City Police Department. His description of the AmeriCorps Cadet Program will, I am sure, be meaningful to all of us here looking for answers to reducing crime in our communities. The lives of many of the residents of the Brooklyn's 63rd precinct have been improved because of the community policing efforts of the AmeriCorps Cadets. I can think of no better success story.

Mr. SHAYS. I thank the gentleman. And for those who are testifying today, you're probably grateful we haven't had more members show up, or we'll never have this hearing start. I thank you for your patience, and I'd like to call on Eli Segal, someone who I have tremendous admiration for. I'm going to ask you to stand, and, as you know, we swear in all our witnesses. Could you raise your right hand, please?

[Witness sworn.]

Mr. SHAYS. Thank you. Please be seated. Mr. Segal, you could probably keep us here for days, talking about your AmeriCorps program and national service. I'm going to request that you try to limit your comments to about 5 minutes, and then we'd like to ask you some questions.

STATEMENT OF ELI SEGAL, CEO, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Mr. SEGAL. Mr. Chairman, I thank you, and it's a pleasure to appear before you today.

Mr. SHAYS. Could I—sorry to interrupt—ask you to move that microphone a little closer?

Mr. SEGAL. Mr. Chairman, it's a pleasure to be with you today. From the days in early 1993, when this was just a vision, your support for national service has been unswerving, and your counsel to us has been wise and evenhanded. Your subcommittee includes many friends of service, and your leadership is mirrored on the other side of the aisle by Ranking Member Towns, Congressman Gene Green, and all of our colleagues who I'd like to thank for their help and guidance.

Less than 2 years ago, Congress, with strong bipartisan majorities, gave us a job to do. With the possible exception, on behalf of our most ideological critics, everyone agreed that we have done what we were asked to do—20,000 well-trained, motivated AmeriCorps members are serving in over 1,000 communities all over the country. AmeriCorps supporters don't claim to reach perfection—startups never are—and we need to be held to rigorous standards for continuous improvement.

But before we get to that, we need to answer two big questions—is the idea that motivated you and your colleagues in 1993 wrong in 1995; and is that idea working in practice? The concept of national service, the rationale for AmeriCorps and our other programs—the National Senior Service Corps and Learn and Serve America—comes from a few very commonsense observations, as true today as they were 20 months ago when the Congress enacted into law the National and Community Service Trust Act.

One, Americans want to help their communities. Two, there is much that nonexperts can do if they're trained and supervised, and if they dedicate a year or more of their lives to the task. Three, the country can come together to solve large problems, whether it's wartime efforts or peacetime initiatives, like the CCC. Four, even smaller efforts can have far-reaching results. Look at the Peace Corps, which the American people cherish as a perfect blend of individualism, idealism, and government support.

Five, Federal supported service didn't use to be a partisan battleground, as Congressman Shays said earlier today. In fact, Republicans in Congress, together with a Republican President, made the most recent Federal involvement in civilian domestic service possible by passing the National and Community Service Act of 1990. Six, that act, and what followed in 1993, created a domestic version of the Peace Corps, and reflected the lessons of the last 30 years—the power of competition, the advantages of decentralization and local decisionmaking, and the collaboration of all elements of our society.

Seven, established nonprofits with proven track records should be the backbone of that effort, not a new, hide bound Federal bureaucracy. If they get more full-time help, they could use the good intentions and help of traditional volunteers more effectively. And eight, AmeriCorps should look like America. I'm providing a demographic profile, for the record, of what our first class, in fact, looks like.

After about a half a year of AmeriCorps operations, the American people called killing AmeriCorps going in the wrong direction, by ever increasing majorities—stronger opposition than to any other congressionally proposed cut, including better known targets like Big Bird and school lunches. Why? They know that AmeriCorps,

even though just brand new, is doing its job. They know that the structure is smart and that it works.

Look at the elements that Congress designed for this program. First, fierce competition—nonprofits compete for funding, and even in our startup year, that competition was tough. And programs that don't produce will not be invited back. Second, real oversight—States don't just select the bulk of AmeriCorps programs. They also have a major responsibility to oversee the winners, backstopped by outside national evaluations. That's why Republican Governors like Bill Weld and Pete Wilson and John Engler and Fife Simington and Marc Racicot love what AmeriCorps members are doing in their States. I'd like to share their comments with you, for the record.

Third, local operations—most AmeriCorps members serve with local nonprofits. As the Federal Government shifts social responsibilities out of Washington, these charities have made it clear that they can't do it alone. And with more Americans working longer and harder than ever, it's no wonder there's less time to volunteer, and a greater need to make that help effective.

That's what AmeriCorps does. AmeriCorps members are the trained, full-time human capital that charities say they need most. I've provided for the record a list of supporters of some of those nonprofits. They include the YMCA and the YWCA; Big Brothers and Big Sisters; the American Red Cross; the Junior League; the Girl Scouts and the United Way—some organizations that receive AmeriCorps support, and a majority that don't.

Fourth, private sector involvement—our law requires local matching funds to prove community support and to get the kind of validation neighbors can best provide. Business has stepped up to the plate, from Microsoft and Nike and Timberland and Home Depot to local chambers of commerce, the corner print shop, and the local lumberyard. I provide for the record a listing of just some of the biggest of these partners. And I also want to note the testimony of Erie Chapman, the CEO of U.S. Health Corporation, a Republican who served on Budget Chairman Kasich's finance committee in Ohio.

Mr. Chapman's outrage over proposals to cut AmeriCorps underscores not only the judgment of the business community that service works, but reminds us that if we want to leverage the tax dollar by increasing public-private partnerships, then government can't walk out after the first year of its first real attempt. Americans, Mr. Chairman, like this type of delivery system. And every fair-minded observer should be encouraged by AmeriCorps' early results.

The committee's other witnesses will have their own stories to tell, but let me just relay one specific result out of literally dozens and dozens we know in detail—real success stories, now obscured by impersonal budget figures. In rural Simpson County, KY, AmeriCorps set the goal of raising the reading scores of the bottom half of the county's second graders by three full grade levels in a single year.

Well, the school gave those kids their mid-year test, and more than 70 percent of those tutored by the AmeriCorps members already have had their reading scores up at least two levels, with

nearly two-thirds of those up three grades or more. Mr. Chairman, the stories are legion already, both anecdotally and statistically. The examples were echoed by an independent evaluation of AmeriCorps by a firm headed by Republican Ed Aguirre, who served in the Ford administration at a very senior level.

We've provided their random sample of AmeriCorps sites, after 5 months of operations. I want to give you just a few examples of what that independent evaluation of just 1,500 of our 20,000 AmeriCorps members have accomplished after 5 months. Thanks to them, 258 neighborhoods have block watches, or other safety programs. More than 550 homes, apartments and shelters have been renovated. One thousand and one hundred children have been screened for lead poisoning, and 1,500 people received emergency medical help.

Over 200,000 trees have been planted. Thousands are receiving schooling. These are a tiny fraction of the lives touched, the communities improved, the hard and vital work done by AmeriCorps members in just the first 5 months. These are critical services, delivered with impact and accountability; and they wouldn't have been delivered any other way. I'm providing a more comprehensive list, if I may, for the record.

Mr. Chairman, the Concord Coalition has been an early consistent bipartisan voice in an effort to reduce the deficit and increase local autonomy. Their plan for a balanced budget does not call for cuts in national service. As the letter of cofounder Paul Tsongas makes clear, balance requires judgment, as well as arithmetic. And that means using scarce dollars well.

AmeriCorps is a smart investment. And Congress should focus on better ways to solve our massive budget deficit. I thank you, Mr. Chairman, and your colleagues, for showing balance in judgment; and I welcome your questions.

[The prepared statement of Mr. Segal follows:]

PREPARED STATEMENT OF ELI SEGAL, CEO OF THE CORPORATION FOR NATIONAL SERVICE

Mr. Chairman, it is a pleasure to appear before you today. From the days in early 1993, when we began plans for AmeriCorps, your support for national service has been unwavering and your counsel to us has been wise and even-handed. Your subcommittee includes many friends of service, and I want to single out Congressman Towns for his help and guidance.

Mr. Chairman, members of the committee, thank you for the opportunity to testify in the first Congressional hearing taking a systematic look at the promise and performance of national service. Although targeted by some for elimination, no full hearing has ever looked into whether this initiative works—before today.

Less than two years ago, Congress—with bi-partisan majorities—gave us a job to do. With the possible exception of a handful of our most ideological critics, everyone agrees that we've done what we were asked to do: today, half a million children are becoming better students and better citizens, thanks to Learn & Serve America, half a million older Americans are applying the experiences of a lifetime in service to their communities through the Senior Corps, and—as we'll examine today—20,000 AmeriCorps members are serving well over 1000 communities all over the country.

AmeriCorps' supporters don't claim it's reached perfection. We should be held to tough tests. They center on asking two big questions: Is the idea that motivated you and your colleagues in 1993 wrong in 1995? And, is that idea working in practice?

The concept of national service—the underpinnings of AmeriCorps—came from a few commonsense observations as true today as they were 20 months ago:

- Americans want to help their communities fight crime, improve education, provide emergency and health services, help families find housing and restore the environment.

- These challenges may sometimes require experts, but there is also much that others, especially young adults, can do if they are trained and supervised—and if they dedicate a year or more to the task.

- The country can come together to solve large problems—whether it's the war-time efforts that led to victories we celebrated this month, or peacetime initiatives like the Depression-era CCC, praised by the President and the Speaker alike.

- National efforts don't need to be gigantic to have far-reaching results—look at the Peace Corps, which the American people cherish as a perfect blend of individualism, idealism and government support. Federal support of service didn't used to be a partisan battleground—in fact, Republicans in Congress—together with a Republican President—made the most recent federal involvement in civilian, domestic service possible by passing the National and Community Service Act of 1990.

- That Act and what followed in 1993 aimed at creating a domestic Peace Corps—a focus on our urgent problems here at home. National service would reflect the lessons of the last 30 years: the power of competition; the advantages of decentralization and local decision-making; the collaboration of all elements of society.

- Established non-profits with proven track records should be the backbone of the effort. If they got more full-time help, they could use the good intentions and occasional help of traditional volunteers more effectively, and get a lot more done.

- Unless you wanted to use only the super-rich, those providing full time service can't afford to do it for free. And you could help solve another huge American problem—the cost of college—if a part of the reward for service came as a scholarship or loan repayment—given only after completion, to make sure that responsibility came before opportunity.

- And having people of different backgrounds serve together to solve common problems provided the surest route to rebuilding community in an increasingly polarized world.

After about a half a year of AmeriCorps' operation, the American people—as many as 90% of them, in some national polls—not only agree with the concept, but applaud the performance of national service. And they call killing AmeriCorps going in the “wrong direction” by ever-increasing majorities—stronger opposition than to any other Congressionally-proposed cut, including better known targets like Big Bird and school lunches.

Why? They know that AmeriCorps, even though brand new, is doing its job. They know that the structure is smart and that it works. Look at the elements that Congress designed:

1st, fierce competition. Non-profits—most of them local charities—compete for funding, and even in our start-up year, the competition was tough.

2nd, real oversight. States don't just select the bulk of AmeriCorps programs—they also have a major responsibility to oversee the winners, backstopped by outside, national evaluations. That's why Governors of both parties applaud AmeriCorps. I submit for the record what five Republican Governors from widely differing states have said, as illustrations. And at every level, programs that don't produce won't get further funding.

3rd, local operations. Most AmeriCorps members serve with local non-profits. As the federal government shifts social responsibilities out from Washington, these charities have made it clear that they can't do it alone. And with more Americans working longer and harder than ever, it's no wonder there's less time to volunteer—and a greater need to make that help effective. That's what AmeriCorps does: AmeriCorps members are the trained, full-time human capital that charities say they most need. I have provided for the record the written support of twenty five of the country's leading charities and non-profits, including the YMCA and the YWCA; Big Brothers and Big Sisters; the American Red Cross and the Junior League; the Girl Scouts and the United Way—some organizations which receive AmeriCorps' support and a majority that don't. Karen Goodman, the Red Cross' National Chairman of Volunteers, sums up their sentiment this way: “We consider AmeriCorps to be a valuable addition to the traditional voluntary sector and a means of broadening the pool of citizens who will have experienced the challenges and joy of community service . . . The only way America's communities will not benefit from AmeriCorps and other national and community service programs is if they are discontinued.”

4th, private sector involvement. We require local matching funds to prove community support and to get the kind of validation neighbors can best provide. And business has stepped up to the plate, from Microsoft and Nike and Time-Warner and The Home Depot to local Chambers of Commerce and the corner print shop and the local lumber yard. I provide for the record a listing of just some of the biggest of these partners. And I also note the written testimony of Erie Chapman, the CEO of U.S. Health Corporation, a Republican who served on Budget Chairman Kasich's

finance committee. Mr. Chapman's outrage over proposals to cut AmeriCorps under-scores not only the judgment of the business community that service works—but reminds us that if we want to leverage the tax dollar by increasing public/private partnerships, then government can't walk out after the first year of its first real attempt.

Americans like this type of delivery system. And every fair-minded observer should be encouraged by AmeriCorps' early results. The committee's other witnesses will have their own stories to tell, but let me relate just two specific results:

- In Atlanta, school Principal Don Doran says discipline problems are down by 25 to 30% and teacher attendance is up because AmeriCorps Hands on Atlanta Members are tutoring and assisting in the Benteen elementary school.

- In rural Simpson County Kentucky, AmeriCorps set the goal of raising the reading scores of the bottom half of the county's second graders by three full grade levels in a single year. Well, the school gave those kids their mid-year test, and more than 70% of those tutored by the AmeriCorps members already had their reading scores up at least two levels—with nearly two-thirds of those up three grades or more already!

These examples were echoed in an independent evaluations of AmeriCorps by a firm headed by Ed Aguirre, who served as Commissioner of Education in the Ford Administration. We've provided their random sampling of AmeriCorps sites after five months of operations. I want to give you just a few examples of what the 1,500 or so AmeriCorps members at those sites accomplished in their first five months. Thanks to them:

- 258 neighborhoods have block watches or other safety programs;
- 470 crime victims have received counselling and assistance;
- 8,500 school children are getting to school safely through some of our toughest neighborhoods;
- 238 city apartments, 296 homes of the frail elderly, 99 rural homes and 15 shelters and other community buildings have been renovated;
- 400 homeless families have a place to stay and 50,000 needy Americans have food to eat;
- 1,100 children have been screened for lead poisoning and other health threats;
- Over 200,000 trees have been planted; 27 miles of river and stream banks have been stabilized and 88 miles of parkland trails have been built, restored or maintained; and
- 7,638 children had tutors and more than 1,430 school kids had skilled teachers.

These are a tiny fraction of the lives touched, the communities improved, the hard and vital work done by AmeriCorps members in just their first five months. These are critical services, delivered with impact and accountability—and they wouldn't have been delivered any other way.

Mr. Chairman, the Concord Coalition has been an early, consistent, bi-partisan voice in the effort to reduce the deficit and increase local autonomy. Their plan for a balanced budget doesn't call for cuts in national service. As the letter of co-founder Paul Tsongas to this committee makes clear, "balance" requires judgment as well as arithmetic. And that means using scarce dollars wisely. AmeriCorps is a smart investment—and Congress should focus on better ways to solve our massive budget deficit."

I thank you, Mr. Chairman, and your colleagues for showing balance and judgment, and I welcome your questions.

Mr. SHAYS. My challenge, Mr. Segal, is that I like the program so much and I like you so much, that any question I ask, is somewhat self-serving. So I'm not going to spend a lot of time asking you questions, very candidly. I'm going to spend more time just examining what the critics have to say and why, and get a handle on it. What I've found is that when I've read critical information about national service and AmeriCorps, even if it's by a different writer, it comes back to the same basic writer. I say, "where do you get your facts from?" and they say, "well, I got it from an earlier article." So we have three critics, and we'll spend more time giving them a chance to share their views.

One of the things that constantly is confused, is the way we fund AmeriCorps. People use 1995 dollars and divide it into the number of participants you have today, which is about 20,000. Are the

20,000 national service participants that you have today funded out of 1995 dollars or 1994 dollars?

Mr. SEGAL. 1994 dollars, Mr. Chairman.

Mr. SHAYS. OK.

Mr. SEGAL. And the 20,000 and the \$370 million—it's a little over \$18—close to \$19,000 per AmeriCorps member.

Mr. SHAYS. The larger you become as a program, your overhead stays basically constant. If your opponents can keep you small, then your per participant costs are higher. So you're saying, with the 20,000 participants you have today, you use 1994 dollars. And that amounts to about \$19,000, with all costs, per participant.

Mr. SEGAL. Absolutely.

Mr. SHAYS. So when they take 1995 dollars and divide it into your—you're not using 1995 dollars. The 1995 dollars should be divided into the 33,000.

Mr. SEGAL. That is correct, Mr. Chairman.

Mr. SHAYS. OK.

Mr. SEGAL. That assumes full funding.

Mr. SHAYS. And if you were at full funding with 33,000 with 1995 dollars, what would be the cost per participant.

Mr. SEGAL. Mr. Chairman, of course we'd go to under \$18,000. We estimate it at \$17,600.

Mr. SHAYS. The other thing I'd like to address is the AmeriCorps participants health insurance. I had health insurance when I was in the Peace Corps. Do you have to pay the health care of every participant?

Mr. SEGAL. No, just those who don't otherwise have health insurance. And with respect to child care, it's even more stringent. Those who are eligible for child care must satisfy the income requirements of State law, as required by the Congress in 1993.

Mr. SHAYS. You mean, most participants don't necessarily have children.

Mr. SEGAL. That is correct, Mr. Chairman.

Mr. SHAYS. OK. The ones that do, then have to meet certain criteria.

Mr. SEGAL. That is correct.

Mr. SHAYS. I remember when we were working on this program. Originally these programs started out with a more national focus and more national control. What's the ultimate danger of having local communities make more of the decisions than States. Now you have 50 commissions, and that's kind of—the Republicans kind of encourage you to do that. I can tell you the advantage.

The advantage is that we thought we would have more creativity; and we thought we wouldn't have one size fits all; and we thought, consistent with Republican philosophy, candidly, that we thought States and local communities knew how to do it better. But what's the down side in doing that?

Mr. SEGAL. Let me begin by saying that the up side was as you predicted. I think the fact that there is much local initiative and creativity is going ultimately to produce a better product. We already see it when we watch different communities exploring similar subject matter in different ways—some doing better, some doing worse. Our responsibility is to find those little gems and grow those

gems. And the fact that we have so many flowers blooming at this time is encouraging.

Yes, you're correct. The real problem, I fear, is not the creation of a new Federal bureaucracy, because it will not be. My anxiety is that with, at this point, 1,200 operating sites, it is impossible, simultaneously, to control what happens at every one of those sites. And it is not always as easy as we would like, to communicate the simple principles that underlie what AmeriCorps is. National service is not a jobs program; it's about service to one's community, giving something and getting something in return.

It is certainly not about advocacy; again, it is a service program—direct service in the communities. I think that is about our major anxiety at this point, Mr. Chairman, is to be simultaneously making sure, in these early stages, that we're able to communicate a clear enough vision of what we see in national service. But I think we've made real strides on that.

And as I indicated earlier, we are vigilant in making sure those that don't understand the message, are given an opportunity to understand what we're trying to communicate, what the Congress wanted us to communicate, and make the changes necessary. And if they're not able to, we'll make changes going forward.

Mr. SHAYS. As Republicans, we want a decentralized program we are asking you, as the director, to give up some of your authority; to take some risks that there are going to be some bad programs. The big surprise to me is that there aren't a number of bad programs. Still, when you find a bad program, what do you do? What can you do?

Mr. SEGAL. Well, I think our first call is to distinguish between bad as a matter of malice or spite or the like, and those that are bad because they don't understand what our objectives are. We have no interest in wasting taxpayer dollars. So before we would immediately cutoff programs—unless they're obviously practicing fraud, patronage, abuse, or anything else which is inconsistent with getting things done, the mantra of the corporation—before we would, in fact, terminate any of the programs, we would do all we could to fix it.

Now, you might ask, how can we simultaneously be monitoring 1,200 programs? Well, that is the beauty of the system that Congress designed. We have 50 State commissions. We have parent organizations. We have site visits on our own. We have the independent evaluation that I referred to. We believe we have a lot of techniques which will not amount to a top-down, cookie cutter approach. But we believe we have been effective in finding problems, fixing them where necessary, and terminating those whose mission is just too different from ours, or those that are clearly doing things that we think are inconsistent with service.

Mr. SHAYS. Thank you very much. I now call on Mr. Towns. But beforehand, I'd like to welcome Mr. Martini, from New Jersey. It's nice to have you here, and we'll give you the floor, Mr. Towns.

Mr. TOWNS. Thank you very much, Mr. Chairman. Some of the criticism that we hear is that some people say that this is a program for the rich. And then others will say this is a program for the poor. How do we deal with that? I mean, we hear it from one extreme to the other extreme.

Mr. SEGAL. This stands out as one of the cutting issues when the 1993 legislation was designed. We believed at the beginning, and with strong bipartisan support, that national service must "not be means tested." By that we meant that all Americans could serve. Poor Americans, middle-class Americans and wealthy Americans would all be given an opportunity to contribute to their communities. We believe we've done that.

And the data that we have collected so far on the demographics of AmeriCorps would certainly support that AmeriCorps, for the most part, is a program of the children of the hardworking middle-class people of the United States. About 20 percent of AmeriCorps members come from families with incomes of \$15,000 or less. I think 5 percent of AmeriCorps members come from incomes of \$75,000 or less.

It means that about 70 percent of all AmeriCorps members come from the middle class. We work hard on that. We believe that they are getting great help in paying for their college or graduate school or loan forgiveness. We're real happy that this represents the cross-section—a diverse group in AmeriCorps, which I think was the intention of the Congress going in.

Mr. TOWNS. Thank you very much. The other issue is that there's been some concern that AmeriCorps members are working in Federal agencies. How do we respond to that?

Mr. SEGAL. It's absolutely untrue. The fact is, the Congress, in its wisdom, authorized Federal agencies to compete for funds for national service at a ceiling of no more than one-ninth of the funds—

Mr. SHAYS. May I just interrupt the gentleman? Could you repeat the question?

Mr. TOWNS. No, the criticism out there is that there are some real concerns that the members are basically working in Federal agencies, talking about—

Mr. SHAYS. So, it's true they're working in Federal agencies?

Mr. SEGAL. No, they're not working in Federal agencies.

Mr. SHAYS. OK.

Mr. SEGAL. In fact, I would argue that there are no AmeriCorps workers, for instance, in Washington, DC, unless you want to count that the AmeriCorps is working at the Anacostia River right now on environmental protection programs. They do not work in Federal offices. In fact, if I might generalize, for the most part, try to think of the Federal agencies as more or less passthroughs; as an organizer of locally based communities, which themselves competed for funds for AmeriCorps workers.

Let me state that another way. We are prohibited by law from replacing Federal employees. AmeriCorps workers are not treated as employees. They don't have the benefits of Federal employment. They are not working in Federal agencies. They do, in some cases, help fulfill the mission of those agencies. In order to drive quality as high as possible, if AmeriCorps workers are going to be involved in environmental matters, for example, and the Department of Interior has expertise and AmeriCorps can help fulfill their mission—if they want to put together a coalition of nonprofit groups to fulfill their mission, using AmeriCorps members, we're happy to supply them.

If they win a competition, if their program will get things done, we believe that is one way of leveraging the mission of the Federal Government as well. But if you went out and saw AmeriCorps workers who exist by virtue of a competition of Federal agencies, you would in no way, shape or form define them as Federal workers. They don't dress with jackets and ties; they're wearing their uniforms, and they're doing the work that we want, whether it's in literacy, whether it's in health, whether it's in education.

They're doing the work that the communities want, not the work that the Federal Government directs.

Mr. SHAYS. I'm going to ask the gentleman to yield again. I don't want to be splitting hairs, but for the accuracy of the testimony, they in fact do work under the direction of a Federal agency employee.

Mr. SEGAL. Sometimes, yes; usually not, Mr. Chairman. Usually not. Usually it is a supervisory role only. There's some modest training provided by the Federal agency. But for the most part, they're working onsite, usually with nonprofit organizations that have been put together in furtherance, perhaps, of the mission of the Federal agency. Very modest oversight. There has to be oversight, otherwise, in fact, the Federal agency is not going to achieve its objectives, which—

Mr. SHAYS. Our second panel, consisting of our director of FEMA is going to testify. So we can probably get into that. I am sorry to interrupt a second time.

Mr. TOWNS. I think you're right. We want to make the record reflect it because there's a lot of things out there that I think we want to make certain. Let me just sort of ask one more real quick question. You always hear about the politics of the situation. Let me see if I can unscramble that. AmeriCorps is really out there to advance the liberal agenda.

Now, recognizing that this is something that really—the evolution of it started under the Bush administration, so how did people sort of get to that? Is that true? Is it just to push forward a liberal agenda, or is it really to try to help people?

Mr. SEGAL. If there's any ideology involved in the Corporation for National Service, Mr. Towns, it's as you suggested earlier. It's an ideology of citizen participation. It's not a liberal agenda; it's not a conservative agenda. This is about service. In fact, I want to confirm once again, the legislation prohibits anything approaching advocacy in our programs.

And I think it's the reason why, frankly, we have so much bipartisan support in America; why so many Republican Governors and Republican mayors are so supportive of the underlying principles. We are little more than a delivery system to get things done that local communities need.

Mr. TOWNS. Thank you very much. Let me just ask this one here. I'm just trying to deal with some of the rumors we hear out there. How do you ensure that the funds are spent on those that are most in need? How do you—in terms of the accountability—how do you ensure that?

Mr. SEGAL. I want to point out that our role is really to monitor decisions made locally. The Federal Government—the Congress of the United States said that there would be national priorities for

national service. They would be in the areas of public safety, education, environment, and health and human needs. We added to that the criterion that whatever local communities thought they needed, they had to "get things done." There had to be clear and demonstrable results; whether it was raising reading scores, building homes, immunizing children, et cetera.

We're in the business, essentially, of service, not in the business of any particular agenda. Service is generally going to involve working with those who need substantial help to help them solve the problems of our communities. And we're essentially here to say it doesn't really matter to us whether a community focuses on immunization or tutoring or recycling, as long as they do it well and it matches human needs.

Mr. TOWNS. Thank you very much, Mr. Segal.

Mr. GREEN. Mr. Chairman.

Mr. TOWNS [presiding]. Yes.

Mr. GREEN. Would the gentleman yield, if he has any more time?

Mr. TOWNS. I'd be delighted to yield to my colleague from Texas.

Mr. GREEN. Thank you, Mr. Towns. Mr. Segal—and thank you for yielding—we have an opportunity this morning to—I just happen to have a group from my district here that are national service contractors. And I had an opportunity, about 2 months ago, to visit an elementary school in North Houston, Garcia Elementary, that's a new school. And we have two teachers there, Michael Fienberg and David Levin who are Teach for America, and they're contractors with national service; not directly under national service.

They have a number of their students here today, and I was impressed. And let me explain a little about the KIPP program at our school. These young people, if they would stand up, and be recognized by the folks that are here. These are 48 fifth graders from Houston. And they not only spend their regular school day, but they stay until 5 p.m. and they go in on Saturdays. It's called the KIPP program—Knowledge Is a Power Program.

These 10- and 11-year-olds sign a voluntary commitment to excellence form. And I have a copy of that, and I was reading it when I was out there with the children. I was amazed at the dedication of these 10- and 11-year-olds. These are not selected students from all over Houston. These children live in the service area for that elementary school. They're not handpicked. They're picked as fifth graders and 10- and 11-year-olds.

The commitments of these children and their parents—there are five parents and chaperons here today who are with them, and they're visiting Washington. It just so happened that the chairman had the hearing at the same time. But the opportunity for these young people in the national service program, again, as contractors with Teach for America. Teach for America was in prior existence to national service.

But I'd just like to show the dedication in Houston, TX, in the national service program that's being provided as a contractor for national service by these 10- and 11-year-olds. All I can say to the children here is, this is Eli Segal, who is from the national service program in Washington. And I know they don't understand how they got those teachers there, but this hearing today is on the ef-

fectiveness of the program, and you're a small part of it, but an important part.

These 48 youngsters would not have this program in Northside, Houston, without contracting with national service. And I thank my colleague from New York to recognize these 48 young people. They are going to be the leaders of tomorrow and Members of Congress, and hopefully, the President. And we're training them today in schools in Houston. And I'd just like to—I'm glad they were able to come in today.

[The prepared statement of Hon. Gene Green follows:]

PREPARED STATEMENT OF HON. GENE GREEN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

Thank you, Mr. Chairman. I would like to thank the Chairman for the opportunity today to discuss the merits of the National Service Program. I appreciate the Chairman's vocal and visible support for this program and I hope that we can work to save this valuable contribution to our society.

National Service helps build a sense of citizenship, commitment and community in our young people all over our country. It is a program, passed with bipartisan support, that rewards service to our country and teaches the young that, as citizens, we not only have rights but responsibilities.

Critics say that National Service aims to replace private charity and unpaid community service. Not at all. National Service helps fund many existing community service organizations, enabling them to extend their reach, to accomplish more, to supplement limited resources.

National Service is the model of what smart devolution of responsibilities back to the local entities is all about. The organization in Washington does not plan, mandate, or control activities. It merely requires a minimum set of standards that all programs must meet. The real action takes place at the state and local levels and the priorities are set locally as well.

To show you what National Service makes possible in Houston, I would like to recognize two young men and the kids they teach at Garcia Elementary School. Michael Feinberg and David Levin are teachers with Teach For America, a National Service program. With funding from National Service, these two young men were able to start a program for forty-eight fifth graders and their parents called KIPP (Knowledge Is Power Program).

To join KIPP, these 10 and 11 year olds must voluntarily sign a Commitment to Excellence Form on which they pledge to spend 652 hours more in the classroom than is required. That is an increase of 67% of instruction time. They arrive an hour before school starts and stay till 5:00. They work on Saturdays too. In the classroom, they work to improve their skills and prepare themselves for the academic challenges of middle school and beyond.

The teachers and the parents also make a written commitment to KIPP to provide the support and instruction that is necessary for the kids to learn and grow.

The KIPP kids range from non-readers to gifted/talented; from those with unsatisfactory conduct to excellent; from all of HISD's main ethnic and cultural groups.

To illustrate what they have accomplished, last year 50% of the kids failed to pass the Texas Assessment of Academic Skills exam. This year they expect 90-100% to pass. This year they took the National Gifted and Talented test and 50% scored in 86% percentile or better and only 2 scored below the mean. Next year, 50% will attend magnet schools.

This is what can be accomplished when kids make a commitment to their education, and when adults make a commitment to their kids. I think it would be a terrible tragedy if the government withdrew the resources that are helping us to achieve these kinds of results.

Mr. Chairman I would like to submit for the record, several letters testifying to the work that other groups affiliated with AmeriCorp, like ServeHouston, have been doing in my hometown. I would also like to submit an editorial written by the Houston Chronicle in support of Serve Houston.

Houston Chronicle

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SERVING AMERICA

Houston youth corps could be model for nation.

President Clinton has had limited success lately in getting legislation through Congress, but one of his earliest initiatives — providing an opportunity to youths for national service — has been brought to fruition.

About 15,000 young Americans recently were sworn in as members of Americorps. In exchange for their community service, corps members will receive health insurance, a stipend and college tuition assistance.

While some government social programs have been bogged down in bureaucracy, Americorps members are forbidden to work in offices pushing paper. The emphasis is on doing — tutoring, caring for the sick, feeding the hungry, cleaning up the environment.

The Houston Americorps operation has had to start from scratch, but the 60-member

Serve Houston Youth Corps may turn out to be a model for others. The Serve Houston Youth Corps is partly funded by federal taxpayers, but crucial financial support comes from private companies and foundations that sponsor teams of youth corps members.

The University of Houston-Downtown is offering classes so corps members need not postpone higher education while they serve.

Americorps was conceived as a domestic version of the highly-regarded Peace Corps. Begun on a modest scale, Americorps and Serve Houston deserve a chance to show that a partnership between government, private businesses and hardworking young people can broaden opportunity for higher education while relieving some of the social ills that beset the nation.



GETTING THINGS DONE

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SERVE HOUSTON is a program
of the AmeriCorps National
Service Network in partnership
with the Texas Commission for
National and Community Service

To: Eugene Sofer
Corporation for National Service

From: Martin B. Cominsky
SERVE HOUSTON YOUTH CORPS

Date: May 17, 1995

Subj: Background for Eli's Testimony on May 18

Sixty AmeriCorps members of the SERVE HOUSTON YOUTH CORPS are getting things done in Houston with the generous matching support from more than 20 leading Houston-based businesses. National Service works in Houston when

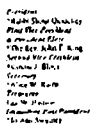
□ The **Shell Oil Company Foundation Team** of ten AmeriCorps members provides tutoring to 200 students who might otherwise fail their standardized tests at a middle school ranked among the City's lowest in test scores. With the energy of AmeriCorps members, scores have improved dramatically and truancy has been reduced. Additionally, the **Shell** team engages middle school students in organizing and maintaining a community garden which provides a source of nutrition for hungry neighbors in the community.

□ The **Tenneco Gas Team** of nine AmeriCorps members provides an after-school alternative with the YMCA to 80 low-income elementary school students who previously went home to empty homes. Now with a homework club, followed by supervised arts, sports and recreation, these elementary students are improving their school progress in a safe and nurturing environment. The **Tenneco** Team also repairs homes for the low-income elderly enabling them to stay safely and longer in their own neighborhoods.

□ The **Panhandle Eastern Corporation Team** of nine AmeriCorps members provides literacy training with the Houston READ Commission in ten low-income neighborhoods to adults who cannot read or write. The program is designed to support family literacy so that adults can be better parents and assist in the learning development of their own children. More than 200 adult learners and 400 children are assisted by this team.

SERVE HOUSTON is another example of how national service works.

P.O. BOX 3732 □ HOUSTON, TX 77253-3732 □ (713) 666-8600 □ Fax (713) 666-7488

[illegible]

**Martin Cominsky, President and CEO
SERVE Houston Youth Corps
2525 Murworth
Houston, Texas 77054**

In a city the size of Houston, Interfaith Ministries for Greater Houston could not continue to provide its direct service programs, education, and advocacy to create a more just society without collaborating with initiatives such as the SERVE Houston AmeriCorps.

Corps members have assisted eight community gardens in growing food for the hungry by restoring abandoned gardens, initiating new gardens, and increasing the productivity of existing gardens through volunteer recruitment and training.

Currently, corps members are engaged in a project "Faces of Hunger" which will document via 35mm black and white photos and additional video footage, the broad swath that hunger cuts through our community. They are interviewing and researching the effects of hunger on various demographic groups throughout the city. Corps members report that their understandings of hunger have increased greatly because of this project.

Tomorrow, corps members will be assisting at our "Breakfast With Champions" at Gregory Lincoln Education Center to increase the awareness of childhood hunger and its impact on learning and cognitive development.

It is with great appreciation that we thank the SERVE Houston Americorps for its dedication and hard work in bringing many of our projects to fruition. We look forward to a long and mutually beneficial partnership.


David Leslie
Executive Director

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TO

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P.02

May 17, 1995



DePelchin
Children's Center

Mr. Martin B. Cominsky
President and Chief Executive Officer
SERVE HOUSTON YOUTH CORPS
P.O. Box 3732
Houston, Texas 77253-3732

Dear Martin,

DePelchin Children's Center is very appreciative of our participation in SERVE HOUSTON AmeriCorps. The youth participating in our program have provided meaningful services to DePelchin, and we believe the work experiences have been positive for these young people as well.

We support the continuation of the funding at the U.S. Congress level for the AmeriCorps program. I am convinced that this program provides important training, job experiences and income for disadvantaged youth. The program has provided DePelchin Children's Center the opportunity to provide job training for some teenagers who otherwise would not have these opportunities.

I realize that there are many requests for the use of Federal funds, however, I believe this program is one of those programs that clearly demonstrates its cost effectiveness. Youth participating in SERVE HOUSTON AmeriCorps are, in all probability, going to turn out to be productive adults.

Sincerely,

Robert E. Barker
President and Chief Executive Officer

RBB/am

Corporate Office
100 Sandman
Houston, Texas 77007
713-661-0136
Member Child Welfare League of America



A United Way Agency

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President

May 16, 1995

Martin B. Cominsky
President and CEO
SERVE HOUSTON YOUTH CORPS
P.O. Box 3732
Houston, Texas 77253-3732

Dear Mr. Cominsky:

As a recipient of AmeriCorps volunteer help through the Summer of Service Project, the Friends of Hermann Park will be able to provide environmental education and recreational services to more than 200 inner-city children in the Third Ward area, a primarily low-income, African-American community in Houston. These children will not only learn about the environment and how they can protect it, they will also special educational and tutoring services. If these services were not available, many of the children selected would be home alone without any adult supervision; with the program, they are in a safe, secure environment with the corpsmembers acting as positive role models. Corpsmembers will also help construct a series of nature trails in a woodland area to inform children and the public about Houston's native flora and fauna.

We could not accomplish these important activities without the support of Serve Houston and the AmeriCorps program. I hope that all members of Congress will realize the need for such services in communities like ours all over the nation and will not lessen funding for these programs.

Sincerely,

Mary Anne Piacentini
Mary Anne Piacentini
Executive Director

May 17 1995 20:35

HRC

265 P02



The Mayor's Coalition for Literacy

Mayor Bob Lanier

Administrative Office
5330 Groggs Road, #75
Houston, Texas 77021-3715
(713) 228-1801

Literacy Helpline
(713) 228-1800

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May 17, 1995

Mr. Martin Cominsky
President and CEO
SERVE Houston Youth Corps
P.O. Box 3732
Houston, TX. 77253-3732

Dear Martin:

The Houston READ Commission, the Mayor's coalition for literacy appreciates the gift that twenty Serve Houston AmeriCorps members have given to adult learners and their families at 10 community-based programs in our coalition throughout the 1994-95 AmeriCorps year of service.

By the end of this year the SERVE Houston youth corps members will have served approximately 13,000 hours teaching adults to improve their reading skills, learn English as a Second Language and prepare for their G.E.D.

We are so fortunate to be working with such a fine group of young minds that want to give back to their community with so much love and energy. The work that these youth have performed served to support literacy programs that would struggle without the help of volunteers. The corps members have been a true blessing to these programs. Once again we thank them on behalf of approximately one million adults in our metropolitan area who need to improve their skills so that they are able to get jobs and help their children in their school work.

The United Way has estimated the value of each volunteer hour to be \$10. The value of the corps members time is much greater. There is no dollar figure to estimate how much it is worth.

Sincerely,

Jeannett B. Manzanero, Ph.D.
Literacy AmeriCorps Director

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May 17, 1995

Mr. Martin B. Cominsky
President and CEO
SERVE HOUSTON YOUTH CORPS
P.O. Box 3732
Houston, Texas 77253-3732

Dear Mr. Cominsky:

We at Communities In Schools Houston (CISH) are very pleased to have the opportunity to work in partnership with Serve Houston Youth Corps (SHYC).

Our partnership has been both productive and effective. The at-risk children served by the CISH/SHYC partnership at Austin High School and Edison and Jackson middle schools have greatly benefited from the services SHYC has provided.

The students at these schools have a great need for the intensive, individualized tutoring that SHYC participants have provided. So many of the students have struggled with poor academic performance. The individualized, regularly-scheduled tutoring sessions with SHYC members are helping the students both improve their academic performance and view their educations as the key to their futures.

These young people are also developing appropriate communications and social skills through the workshops and after-school activities sponsored by SHYC members. They are learning better ways to manage conflict and how to work with others to reach a common goal.

Communities In Schools would not be able to reach as many of the children at these schools who need help without the support of Serve Houston Youth Corps. We are very grateful for our partnership with your organization.

Sincerely,



Cynthia Clay Briggs
Executive Director



**YMCA
of Greater
Houston**

Association Office
1600 Louisiana
P.O. Box 3067
Houston, Texas 77253-3007
713/659-5368
FAX 713/659-7240

May 16, 1995

Martin Cominskey
Serve Houston Youth Corps
P.O. Box 3732
Houston, Texas 77253-3732

Martin:

Let me take this opportunity to thank AmeriCorps and ServeHouston for your great work in collaboration with the YMCA of Greater Houston.

As you know, the YMCA is committed to a community development strategy which will be "successful in its effort to serve less advantaged communities when each branch has a program characterized by: a. a long-term commitment to a specific neighborhood, b. efforts to involve volunteers in the program, and c. activities that empower residents to make decisions about their community needs."

Because of AmeriCorps work, the YMCA now has long term presence in both the Gulfton and near Northside communities in Houston.

In Gulfton, AmeriCorps serves 90 children a day in after-school recreation, tutorial, and fine arts programs in three low-income apartment complexes. Because of your commitment, the Cultural Arts Council of Houston, the city of Houston, and the Gulfton Area Neighborhood Organization are all helping with this program and developing new ones such as youth soccer leagues as well.

In the near Northside, AmeriCorps volunteers serve 80 children a day in a similar program at Robert E. Lee Elementary school, the oldest school in the Houston Independent School District.

This summer AmeriCorps volunteers will be serving Gulfton and the near Northside in a very unique way. After undergoing extensive training and preparation,

YMCA Mission
To put Judeo-Christian
principles into practice
through programs that
build healthy body, mind
and spirit for all.



A Member Agency
of the United YMCAs



**YMCA
of Greater
Houston**

youth corps volunteers will teach 300 youngsters to swim utilizing apartment and school district pools.

Association Office
1600 Louisiana
P.O. Box 3007
Houston, Texas 77253-3007
713/669-5566
FAX 713/859-7240

The AmeriCorps volunteers have empowered the YMCA to meet its mission goals in low-income neighborhoods and created enthusiasm among residents in the neighborhoods they serve. Most importantly, the children served appreciate and admire your volunteers. In fact, they look upon them as "ambassadors" to adulthood and future success. Powerful influence indeed.

What I most admire about your effort is that it is programmatic, practical, and down and dirty. I thank you for it.

Sincerely,

Bob Fleming
Vice-President
YMCA of Greater Houston

YMCA Mission
To put Judeo-Christian
principles into practice
through programs that
build healthy body, mind
and spirit for all



A Member Agency
of the United Way

TOTAL P.003

Mr. TOWNS. That is worth yielding for. [Applause.]

Mr. GREEN. I used up all your time.

Mr. TOWNS. As I yield back—that's worth yielding for, I tell you. I would like to also join you in thanking them for coming to Washington. And I'm hoping that, as a result of hearing your story and as a result of seeing you, that maybe some of the members that are sort of sitting on the fence will now get off the fence and recognize the importance of this program. You make a tremendous statement.

So thank you, Congressman Green, for sharing this with us. At this time, I now yield to the gentleman from New Jersey.

Mr. MARTINI. Thank you, Congressman, and good morning. And I'm sorry I didn't have the benefit of what you've testified to already, Mr. Segal, it is, right?

Mr. SEGAL. That's correct.

Mr. MARTINI. But, and hopefully, this won't be repetitive. I guess one of the—in this whole discussion of the program and its merits and its goals, we obviously are concerned in terms of the funding level at a time when we have a serious national debt, and many of us here feel that we have to look for ways to preserve and reduce that debt. So we look at everything and we ask questions as to what's working; what's not working; and what is the ultimate goal?

And certainly, I don't think many of us, if any of us, would disagree with the need to create an environment in which we encourage community service to one's country and national service. But I just want to relate to you a small experience I had recently. And maybe this is the way in which perhaps we can reconcile what I see as the possible conflict here. And I have an open mind on this, and as a new member, this will be my first time in really studying the program and its funding levels, et cetera.

But I had an occasion, on the break, to be at a Habitat for Humanity site in my district. And it's an urban district, and I went there and visited there. And there were many volunteers there, and then there were some AmeriCorps people there. And the good number of volunteers were without pay, no benefit, purely out of service for the program of Habitat for Humanity. And then there were five or six AmeriCorps people who were there; and obviously, receiving compensation and benefits for their service.

And I thought, at that time, how does that work? It would appear to me, if I were one of the volunteers—I knew what AmeriCorps was; I don't think many other people understood. But it would appear to me, if I understood that and I'm out there working that day, and people are volunteering their time after work and the materials, and then they find out there's another group that are working but they're getting a significant benefit or compensation for that, how do you reconcile that situation?

Mr. SEGAL. Mr. Congressman, I thank you for that, and hopefully your circumstance this morning will allow you to wait a little bit later on today. We actually have somebody who's in AmeriCorps from Habitat for Humanity in Miami with us today. And perhaps he can even do a better job than I. But let me tell you that the head of Habitat—a gentleman named Millard Fuller, in Georgia—is such an enthusiastic supporter of AmeriCorps.

There's something I want to bring to your attention. I want to tell you why Habitat, in particular, is so supportive of AmeriCorps. We are now operating in about five or six Habitat sites around the United States. And what they will say—particularly what Jerry Bass will say, Jerry Bass, a man in his 40's who, instead of continuing his life as a district sales manager at K-mart, joined Habitat.

And I met with Jerry Bass in Miami several months ago, and he said he loves AmeriCorps. The reason he does is, No. 1, his biggest problem is, he's never sure on a given day whether we're going to have 5 volunteers or 105 volunteers who are going to show up on that site. AmeriCorps is there full time, long term, to do the labor. No. 2, when the volunteers do come there, AmeriCorps can help train those volunteers so that, in fact, he can use scarce resources in another way.

No. 3, AmeriCorps can be out in the community, as they are, recruiting volunteers on a full-time basis to come join with those projects. No. 4, AmeriCorps members are regularly—can regularly, and are, in fact, regularly recruiting those who will live in Habitat, who will actually become the homeowners. And No. 5, AmeriCorps members are frequently involved in helping those who are moving from being renters to being owners, to understand what it means to have a mortgage, to become a responsible member of the community.

So Habitat is one of the real examples of the partnership, I think, working the way we'd like it to. We know we have to work real carefully on the course of this program. As someone who comes from the private sector, I think we really, really view our responsibilities to fiduciaries and tax money carefully. But we also have to look at the cost-benefit ratio. And Habitat is really one example where I think, if you'd be given an opportunity to see, to talk with some of the staff of Habitat and some of the volunteers, I think you'd feel comfortable with it.

Mr. MARTINI. Well, we're going to be there again Saturday, and I'll do just that. I will speak with them more. But it just struck me, in listening to you today, that it was a good example of what might be a potential problem. But I appreciate your insight on it, and we'll discuss it more.

Mr. SEGAL. Thank you, Mr. Congressman.

Mr. MARTINI. I give back the balance of my time.

Mr. SHAYS. I thank the gentleman, he probably has about 3 minutes. I wasn't thinking. I ran out, and I've already asked the question. I should have told Mr. Green to run, and we're going to be waiting for him. Therefore, I'm going to take the opportunity to ask a few more questions. One of your critics complains about your national ad campaign.

I'm never aware of seeing a national ad campaign, but they're criticizing that evidently you spend too much in advertising. There was a contract entered into by the corporation. Honestly, it's a predecessor organization.

Mr. SHAYS. Which was ACTION?

Mr. SEGAL. That was ACTION. With an advertising agency for a series of activities, only one of which was advertising. Only one—we felt it was important to make people aware, create some visi-

bility for recruitment purposes, as well. But it did a whole host of other activities, as well. It was an information distribution mechanism. It was an 800-number campaign, as well, in order to get and distribute information.

It was in no way, shape or form an excessive amount of dollars. It will be less in the years after the first year. The launch year required advising potential applicants, both for young people to serve, and also for potential grantees to learn about the process. And the funds that we used satisfied those obligations as well.

Mr. SHAYS. This is an 800-number that you advertise?

Mr. SEGAL. Yes, there's an 800-number both for programs, for public information, and for potential recruitment.

Mr. SHAYS. One of the things that fascinates me—one of the other things that critics of AmeriCorps as national service is they talk about the minimum wage and try to determine how much a national service gets on an hourly basis. There's one figure of \$7 and something. Do national service volunteers, participants, only work 40 hours?

Mr. SEGAL. On the contrary.

Mr. SHAYS. Let me ask this question, and be more specific. Do you pay national service participants on an hourly basis, on a weekly basis, or monthly basis?

Mr. SEGAL. It's an annual salary. I will assure you that the Congress required, as a matter of law, that they work a minimum of 1,700 hours in the course of that year.

Mr. SHAYS. That's the minimum?

Mr. SEGAL. That's the minimum. But as I travel around the country, Mr. Congressman, the number is dramatically larger, as a matter of personal choice. The number of AmeriCorps members who will work beyond their responsibilities on Saturdays and Sundays, personally, around serve-a-thon events, is astonishing. It is far more than 1,700 hours, which is the reason why using any kind of hourly calculation really makes no sense, as a practical matter.

Mr. SHAYS. What's the biggest failure that you've had in the last 2 years, or certainly since the last 8 months, since the program started?

Mr. SEGAL. I should answer none.

Mr. SHAYS. Well, you've had failures. But what would be the area that you feel you need the biggest—what takes the most amount of your time, other than having to defend your agency?

Mr. SEGAL. I would say that the biggest challenge continues to be to avoiding being an absentee grant-maker on the one hand, because we do think we're doing a lot more than just giving out grants; and being too prescriptive on the other. There is always a lot of pressure, when you see something working right, to have everyone do it the same way. And I think we are trying as hard as we can, Mr. Chairman, to avoid being too prescriptive, saying what everyone should do.

I'd say that is one major challenge we have every day. A second is national identity. We believe that national service needs to be something more than the accumulation of all of its programs. There has to be the same element of patriotism that is in play with the Peace Corps, serving one's country in the military, and the Civilian Conservation Corps. I think that is particularly hard to do when

we have a decentralized model, to kind of focus again on the core elements—on the values, the communities, strengthening responsibility.

I'd say those are the major challenges. There will be programs which will disappoint us, there's no question. There are programs that will disappoint us. Hopefully, the reality will do as well as our rhetoric, and we in fact will terminate them as circumstances require.

Mr. SHAYS. Until we wait for Mr. Green—because I really have asked the questions I wanted to ask—but if you don't mind me asking just a few more of these. They're kind of filler questions. But what would be the dropout rate that you have experienced? When I was in the Peace Corps, we had a 50-percent dropout rate, before we even got to site. And then we had another 50 percent, once we were at site. It wasn't too good.

Mr. SEGAL. Well, we're happy that the dropout rate has been very low. We believe it is significantly under 10 percent at this point, nationally. Some programs will be higher, some lower. Again, it's an index of the success of a program. You don't want too many people dropping out. That means you're wasting Federal taxpayer dollars.

On the other hand, sometimes people dropout because the standards are so high. And on the other hand, if you have no one dropping out, that might mean the standards are low. We believe the percentage will be lower than the Peace Corps, than the military, and than college.

Mr. SHAYS. Is that the standards? The standards will be lower?

Mr. SEGAL. Our standards might be lower if everyone makes it through the year.

Mr. SHAYS. What are we talking about in standards here? I'm missing this.

Mr. SEGAL. The standards of the program. If in fact no one is ever dismissed from the program—

Mr. SHAYS. Right.

Mr. SEGAL [continuing]. No one drops out, it could be a statement that the program is not, in fact, getting things done.

Mr. SHAYS. Right. Well, how do you collect your data? You have 50 different agencies, and you have to know what 50 different agencies are doing. You have to have some kind of uniformity, but you want to allow flexibility. So do you have the ability to collect data? And the other question I want to ask before Mr. Green gets here is how you interacted ACTION and the other programs with AmeriCorps.

Actually, I'd like to ask that question first. What programs existed before you initiated AmeriCorps?

Mr. SEGAL. I should say, Mr. Chairman, that another one of our great challenges was that at the same time, we were both a startup and a merger. That put a great deal of pressure on us. But because there was such a clear sense of mission, both as a new organization and an organization that had been in existence for as much as 30 years, I think we have done a pretty good job.

We also were operating under two personnel systems—one, the existing civil service system; and a new more flexible, alternative personnel system, which is kicking in.

Mr. SHAYS. The old one was what you inherited, in a sense.

Mr. SEGAL. That's correct.

Mr. SHAYS. OK.

Mr. SEGAL. That's correct. Over time, we expect that the more flexible alternative personnel system will survive—not only survive, but will prevail. We think it's not only better in terms of simplification, but I think it gives us a lot more opportunity to reward performance, which I think is really at the heart and soul of what we like a government program to do.

Mr. SHAYS. I have continually said that AmeriCorps volunteers get a stipend, and they get an educational grant that they can only use in education. However, someone found a program where you are actually giving them a cash credit. And when we investigated it, it turned out it was the challenge dealing with VISTA volunteers. Can you explain that?

Mr. SEGAL. Yes, Mr. Chairman. The legislation that created the Corporation for National Service also folded in the organization called VISTA.

Mr. SHAYS. That's Volunteers In Service To America.

Mr. SEGAL. The differences between VISTA and what we call AmeriCorps-VISTA and AmeriCorps-USA are essentially nonexistent, except for the fact they have a different legislative origin. One of those modest differences is, the VISTA volunteer—who we now call AmeriCorps-VISTA members—is given an option that AmeriCorps-USA is not given. AmeriCorps-USA is only given an educational award if he or she finishes his 1,700 years of service. [Laughter.]

Mr. SHAYS. You said years.

Mr. SEGAL. Oh, I'm sorry, hours of service. VISTA is given a choice, based on their own legislation, of a cash-out of about \$100 some dollars a month for each month served, or the educational award. I should report that, as time goes by, a much higher percentage of the AmeriCorps-VISTA's are taking the educational award. And as 1996 kicks in, and we have to look at reauthorization, I think it would be fair for the Congress to establish whether they want to have two different reward systems or whether they want to have AmeriCorps members—

Mr. SHAYS. That's by law. In other words—

Mr. SEGAL. That's correct.

Mr. SHAYS. Even if you chose to just have it be an educational award, Congress made that decision.

Mr. SEGAL. And I'm happy to report that a significant percentage now are taking the educational award, to be consistent with the overall objective.

Mr. SHAYS. When I was a Peace Corps volunteer, we worked basically at minimum wage, but we worked more than 40 hours a week. And we were given something when we concluded our 2 years' experience. It was a cash payment; nothing to write home about. But the bottom line is, you had to fold in both agencies. So when the critics say, wait a second, AmeriCorps is being deceitful because they say it's an education credit, but they're giving cash payments, it's by law and it's under the old system.

Mr. SEGAL. And I would say, Mr. Shays, that overall, less than 10 percent of the AmeriCorps members who graduate, at this point,

are taking any kind of cash contribution. And I would expect, even before Congress takes a look at this in 1996, that percentage will go down a lot more over time.

Mr. SHAYS. Now, I've concluded the questions I want to ask. Do you have any statement you want to make? And then I might just put us in recess for a few minutes.

Mr. SEGAL. Yes, Mr. Chairman. I want to make sure I could put two things in the record, if I may. First, I was asked earlier about the Federal agencies. We have a list of the nonprofit partners, the local charities, that are working closely in partnership with the Federal agencies. I hope you won't object if we submit to the record for each one of those Federal agencies, the extraordinary number of local nonprofits who are supporting them.

Mr. SHAYS. I'd also make, for the record, that we have the testimony submitted by Michelle Engler, the wife of the Governor of Michigan, and chairperson of the Michigan Community Service Commission. Former Senator Paul Tsongas of the Concord Coalition, and David Jones, of the U.S. Air Force Retired, also submitted testimony.

[The prepared statements of Mrs. Engler, Hon. Paul E. Tsongas, and Mr. Jones follow:]

PREPARED STATEMENT OF MICHELLE ENGLER, CHAIR, MICHIGAN COMMUNITY
SERVICE COMMISSION, FIRST LADY OF MICHIGAN

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to submit this testimony on what national and community service has meant to Michigan—our communities and our citizens. I hope that my text will provide you with three things to consider: first, what one state has been able to do to support service and volunteerism; second, how these activities relate to AmeriCorps and the other national and community service programs supported by the Corporation for National Service; and third, why we believe that service and volunteerism are so important to the health and future strength of communities.

WHAT ONE STATE HAS DONE

The Michigan Community Service Commission was created by executive order in 1991 out of an idea that Governor John Engler and I had that we needed to find more effective ways to promote and support service and volunteerism in Michigan. Our efforts coincided with President George Bush's call to service through the Points of Light Foundation, the National and Community Service Act of 1990, and his words that, "No longer can the definition of a successful life not include service to the community." The Commission was designated as the state's lead agency for administering programs under the 1990 Act, the predecessor to the National Service Trust Act of 1993. Our activities, which received state support but always benefitted from important federal support, encompassed more than the administration of federally funded national and community service programs.

Our mission is to enable all citizens, including youth, to engage in public problem-solving through service and volunteerism. The principle that guides our efforts at the commission is that National and Community Service, Volunteerism, and Philanthropy are not bi-partisan ideas, they are non-partisan ideas. We believe that if we are serious about promoting and supporting the nonprofit sector as a more effective and efficient alternative to public sector run programs, then government must respect and hold in the same esteem the principle of non-partisanship that is central and essential to the success of the nonprofit voluntary, and philanthropic sector.

From the start, the Governor and I have been committed to ensuring that the operation and the public perception of the Michigan Community Service Commission are strictly non-partisan. The value and success of this commitment was demonstrated last summer when the Legislature established the Commission in law with overwhelming bi-partisan support—passing the House 105-2 and the Senate 30-2.

The Michigan Community Service Commission serves in three general capacities: as a catalyst for positive community change, stimulating innovative programs that

meet real community needs through service, as a convener of diverse individuals and groups, building community through shared efforts and common goals, and as a broker of ideas and resources, encouraging collaboration and entrepreneurial approaches to service and volunteer program development. Through these capacities, we serve as a facilitator and conduit between the public and nonprofit sectors.

The Michigan Community Service Commission has established six priorities: 1) building programs and expanding resources based on local community needs and interests, 2) enabling youth and community volunteers to be a part of the design and development of programs and policies, 3) promoting successful volunteer and service programs that represent the diversity of communities, 4) encouraging strong partnerships among public, private, and nonprofit agencies, 5) developing a state-wide information clearinghouse on programs and training in the best practices of volunteerism, service, and service-learning, and 6) enhancing service and volunteerism through rewards, incentives, and recognition.

Michigan, with its rich volunteer tradition, has as resident resources many nationally recognized nonprofit and philanthropic institutions and leaders. These include the W.K. Kellogg Foundation, the Charles Stewart Mott Foundation, the Council of Michigan Foundations, the Michigan Nonprofit Forum (our state's equivalent to the Independent Sector), the United Way of Michigan, and the inspirational leader of much of the national volunteer movement in the last thirty years, former Governor, George Romney. With the help of these leaders, our Commission has tried to keep its focus on the whole picture. For us this means that we promote and support individual volunteers, service and volunteer programs, and public/private partnerships that meet important community needs. We try to employ the best entrepreneurial practices of the nonprofit field to support our mission. We consistently seek out new opportunities and partnerships to support and promote sustainable, community-driven models of service and volunteerism.

Here are just a few examples of our most recent activities. We have been partners in the Michigan Volunteer Center Networks' Campaign for Volunteerism. We convene a regular meeting of state and nonprofit agencies to support information sharing. We promote collaboration, not just, as is too often the case in government, among public agencies, but among public and nonprofit agencies. We support a state-wide youth leadership council that helps provide us with a reality check as we consider programs and activities that affect youth. With private sector support we administer the Governor's Community Service Awards Program and a youth volunteer recruitment campaign. We have been fortunate enough to have received two foundation grants to help us support collaboration closely with the Michigan Nonprofit Forum to coordinate activities, reduce needless duplication of services, and collaboratively assist communities increase their capacity for service and volunteerism. In partnership with the Nonprofit Forum and Governor Romney, we are currently in the early stages of planning a series of state strategic planning meetings on the changing relationships among the public, private, and nonprofit sectors in response to corporate and government reengineering.

HOW OUR ACTIVITIES RELATE TO NATIONAL SERVICE AND AMERICORPS

Without the funding support of the Corporation for National Service and its predecessor, the Commission on National and Community Service, we would not have been able to do as much as we have to support of service and volunteerism. One thing our experience has shown us in the last few years is that we can help the nonprofit sector by being strategic broker and capital investor. National and community service programs, including AmeriCorps play an important role in building capacity for service and volunteerism in Michigan.

National and community service builds Social Capital by providing volunteer support to the kinds of Nonprofit Sector institutions that must grow stronger if government is to successfully define a more limited social serving role for itself. National and community service is part of a continuum that ranges from traditional part-time volunteers to full-time stipended volunteers. AmeriCorps and other national service programs serve as excellent devices for building the capacity of communities to define and meet local needs through service and volunteerism. AmeriCorps provides an opportunity for states and communities to invest in new community partnerships that hold the best chance of building in local communities sustainable means for improved community problem-solving through service and volunteerism.

Government is clearly not the only answer to the problems facing our communities and citizens. However, government can work in a partnership with the Social and Private Sectors, through programs like AmeriCorps, to enable citizens to find their own solutions. Government should serve as a resource for helping communities learn from the successes of others. An American, on average, volunteers three-four

hours a week. Since this figure is an average, it does not reflect the irregularity of weekly volunteer service. And how many people do you know who have the time to give that many hours every week, fifty-two weeks a year? It takes one full-time volunteer service provider to do what ten average volunteers can in the same period of time. A full-time service provider may not only provide direct service, s/he may also recruit, coordinate, and supervise the work of limited-time volunteers. A full-time volunteer service provider, like an AmeriCorps member, will be able to maximize the impact of four hours of service of the limited-time volunteer.

Michigan's AmeriCorps represents the programs administered by the Michigan Community Service Commission. Operating through local partnerships involving more than 100 community non-profit and social service agencies, Michigan's AmeriCorps currently operates in eight communities: Detroit, Grand Rapids, Flint, Saginaw, Ypsilanti, Lansing, Shelby, and Pontiac. This year, Michigan's AmeriCorps, which receives \$2.3 million from the Corporation for National Service, will involve 271 full- and part-time volunteers who will provide 325,000 hours of direct service and generate more than 1,500 new non-stipended volunteers. This is the kind of public/private investment that can build a future rich with volunteers.

WHY SERVICE AND VOLUNTEERISM DESERVE PUBLIC SUPPORT

Governor George Romney and I wrote in a recent article that there is "no free lunch when it comes to volunteerism . . . The volunteer tradition is not something we should take for granted. Like all important traditions, it requires practice and commitment. Volunteerism doesn't just happen, we must make it happen. Volunteerism is just not a nice thing, it is a serious thing that can address the serious problems facing our communities. Policy-makers from across the political spectrum should start taking this resource seriously. The Left must recognize that in light of the limits of government-run solutions the work of volunteers provides an important alternative. The Right must stop lauding the virtues of volunteerism without recognizing that volunteers require support and resources from both the public and private sectors."

In a recent paper, Harvard University Professor, Robert Putnam affirmed the opinions of social observers in America since Alexis de Tocqueville. He found that voluntary networks, associations, and organizations reinforce the formal civic and governmental institutions of democracy. The standards and norms that are formed through these self-regulating voluntary associations, a kind of Social Capital, support the practices that are necessary for self-government.

Social Capital is generated by the voluntary associations and shared social standards of people who volunteer and commit to serve more than just themselves. Without Social Capital communities suffer because they lack the mechanisms for people to work together voluntarily for the good of the whole. Service and volunteerism are essential ingredients of Social Capital.

The Independent or Nonprofit Sector, which includes service, volunteerism, and philanthropy is something better named the Social Sector. As the Public and Private Sectors work in some combination to develop economic and physical capital, the Social Sector works to generate Social Capital. Internationally respected management consultant Peter Drucker has argued that the Social Sector will play and increasingly more prominent role in the new American high technology society.

The Social Sector will carry greater responsibilities in directly meeting social needs as government downsizes and society moves to de-centralized business and industry models. Accordingly, the Social Sector must transform itself into an organized and equal contributor to social policy-making.

Healthy communities are vital to ensuring strong government and productive business therefore, government and business share an interest in investing in the formation of the Social Capital. Government should contribute to this effort as a forum and catalyst for the Private and Social Sectors to collaborate in the development of strong communities. All sectors must view their roles in a new light: as enablers of citizen driven solutions, not as the source of professionally provided solutions.

Volunteer development is an essential element of Social Capital formation. Volunteers do not come free. They require an investment. If a community of volunteers makes for a healthy community, then it is a worthy public investment. The overwhelming majority of citizens who volunteer in their retirement report that they have done so because of a volunteer experience in their youth. Yet the majority of youth say that if they do not volunteer it is because they are not asked. If we do not invest in efforts to support and promote service and volunteerism now, we will not be able to count on these same individuals to volunteer later in life when they have more disposable time to do so.

The costs of volunteerism must not be overlooked. In order to get volunteers to the point of effectively meeting a social need many things come into play. They must be recruited, trained, transported, and in some cases fed. Their times of service must be coordinated, their activities supervised, and in some cases, when they commit their full-time to the effort, they must be stipended for their commitment in order to live. Like all things of value, volunteerism does not come without a commitment of effort and resources.

However, I do believe there are ways to improve the National Service model. First, state commissions should administer a greater share of Corporation for National Service (CNS) funds that go to the states. Currently the Corporation directly administers National Direct AmeriCorps grants, VISTA programs, and Senior Service Programs. If state commissions were given grant-making and administrative responsibility for these programs it would ensure that they would be used to broker greater coordination among state and local nonprofit and volunteer agencies consistent with state priorities.

Second, the CNS administrative structure should be reconsidered. The Corporation is the product of a merger of the ACTION Agency and Commission on National and Community Service. While the old Commission followed a decentralized model that depended on state administration and coordination, the ACTION Agency maintained a centralized, hierarchical structure of federal and regional offices for program administration. In the merger, CNS retained both structures, so there are CNS state offices (the late ACTION offices) as well as state commissions operating parallel programs. Greater efficiencies may be achieved if CNS streamlines its administrative structure and, building on its strength, adopts a completely state and locally driven model.

Third, more efforts should be made to assure all parties that CNS and National and Community Service are non-partisan endeavors. The Corporation for National Service Board, should make final decisions on funding grant proposals. It should also hire the Chief Executive Officer to ensure that the perception of partisanship does not enter into the appointment process.

Government should rely on a decentralized nonprofit-driven service delivery system, but also continue to share the burden of support. AmeriCorps represents an important experiment that deserves a chance to prove itself. Congress gave AmeriCorps three years to demonstrate its potential. If National Service succeeds in meeting its ambitious goals, it may help facilitate the transfer of services to more decentralized non-profit models. If it does not succeed, then we can look to something else. Yet, whatever the outcomes, I can assure you that along the way National Service will have helped Michigan's communities become stronger, more self-sufficient, and charged with a renewed sense of voluntary spirit.

FOLEY, HOAG & ELIOT,
Boston, MA, May 16, 1995.

Hon. CHRISTOPHER SHAYS,
Chairman,
Human Resources and Intergovernmental Relations Subcommittee,
B-372 Rayburn Building,
Washington, DC.

DEAR CHAIRMAN SHAYS: Throughout my career in public service and since, I have promoted fiscal prudence as the hallmark of a wise and compassionate government. That is the essence of the Concord Coalition, which I co-founded with former Senator Warren Rudman.

The Concord Coalition has made it clear that tough choices in the national interest must be the equal focus of both parties' fiscal policy. The Concord Coalition has made these tough choices, whether that means opposing tax cuts or supporting means testing of entitlements. At the same time, we have chosen not to make cuts in programs that are investments in America's future. AmeriCorps is such a program.

My experience in the Peace Corps convinced me that national service is a wise investment. That is why I was a strong supporter of the concept when I served in Congress. I remain so today.

Beyond that, it seems to me that encouraging local efforts and citizen solutions to community problems is a value conservatives should embrace. AmeriCorps embodies that value.

Balancing the budget must be our highest priority. But "balance" requires judgment as well as arithmetic. And that means using scarce dollars wisely. AmeriCorps

is a smart investment—and Congress should focus on better ways to solve our massive budget deficit.

Sincerely,

PAUL E. TSONGAS.

PREPARED STATEMENT OF DAVID C. JONES, GENERAL USAF (RET.)

Mr. Chairman and members of the subcommittee, I am grateful for the opportunity to testify in support of AmeriCorps. I am especially gratified that you also will hear testimony today from a dedicated and determined young man named Philip Wu. Philip is a U.S. Army veteran who is complementing his military service with a hitch in AmeriCorps. He served as a telecommunications specialist in the Army, then used his G.I. Bill benefits to complete two years of college.

As an AmeriCorps member, Philip builds homes with the Miami Habitat for Humanity program. He draws on skills learned in the military to recruit, train and supervise volunteer builders. From AmeriCorps/Habitat, he has learned skills in all aspects of home construction. And he'll use his education award from AmeriCorps to finish college and get his degree (veterans earn AmeriCorps benefits without diminishing those they earned in the military).

Philip Wu's example shows a common chord of spirit—a spirit that gets things done—in the work of those who serve our volunteer Army and those who serve full-time in AmeriCorps. Of course, our men and women in uniform give all that a nation can ask of its citizens, protecting freedom at home and abroad. Their's is a far greater sacrifice. Accordingly, AmeriCorps is designed so as not to impair military recruiting, meeting its much smaller need by drawing from a larger recruiting universe that includes people of all ages, people with disabilities and others who don't meet the requirements for military service. In his 1995 annual report, Secretary of Defense Perry confirms that a review of the impact of national service on military recruiting showed "that success in one does not jeopardize the other."

But just as our armed forces provide for the national defense, AmeriCorps is mounting a national offensive here at home against problems that threaten our society. This offensive involves 20,000 AmeriCorps members serving in locally-run programs, tutoring high-risk children, cleaning up our rivers and streams, working with police to reduce crime, helping disaster victims rebuild. AmeriCorps provides 350 community programs with the best resource of all—Americans who want to shoulder responsibility and serve our country.

Like our armed forces, AmeriCorps is mission-based. AmeriCorps programs either deliver results or lose their funding. Service builds character while it rebuilds communities, and AmeriCorps members get a chance to give others a hand and get a hand with education costs. But while AmeriCorps invests in the individuals who serve, it makes a far broader investment in renewing our society and enriching our economy. Our communities are leveraging every tax dollar that supports AmeriCorps. For example, a 10-member team of the AmeriCorps*National Civilian Community Corps worked with a Baltimore community to build an after-school education and recreation program for high-risk kids. The AmeriCorps team restored a local park, refurbished a nearby recreation center, organized and trained local residents to conduct activities and tutoring programs that give kids an alternative to the streets and build their academic skills. With its job done, the AmeriCorps team moved on to a new challenge, but left behind a center that serves 75 to 85 youngsters. The team had also helped set up a homeowner and renovation program that trains people to become first-time homeowners.

Other cases in point. An AmeriCorps member in rural Kentucky works every day with children in a public school, teaching them to read so they can compete and won't drop out. In Texas, more than 100,000 children have been immunized and will never need public health services for treatment of a host of diseases, saving over five dollars for every dollar invested. In Kansas City, Missouri, an AmeriCorps program closes crack houses and gives youth alternatives to drugs and gangs. And in Miami, with help from Philip Wu, families who once depended on subsidized housing will be paying mortgages on their first homes. These are major, long-term investments, both human and financial.

AmeriCorps programs work. They show what we can accomplish when government operates as a true partner of communities. And most important, they build citizenship by enacting an old truth that the men and women in our armed forces learn so well—to earn opportunity you must take responsibility for yourself and for others.

Mr. SHAYS. Hearing just the reference to the military, we will have critics who will say that somehow national service is making it more difficult to encourage people to go into our military service. And I'd like you, if you would, just to address that.

Mr. SEGAL. I think this is one of those blips on the screen that was unfortunate. I think the record is absolutely clear, from both Secretary of Defense Perry to the Assistant Secretary of Defense for Manpower, Mr. Pang, and from the personnel chiefs of all the different services that national service is having no adverse effect on recruitment. It's not surprising, when you recognize that our benefit level is substantially lower.

The universe from which we are drawing is substantially different. And I believe that the record should be clear that there is no adverse effect. We're really quite happy with our relationships with the Defense Department, the armed services and with the veterans community, who are really supportive of what we are doing in national service as well.

Mr. SHAYS. Is Gene Green outside? OK, what I want to do then, if you don't mind, is give Mr. Green the opportunity, if he'd like, to ask you questions. But I think we need to proceed with our hearing, and evidently he is meeting with some students. So I am going to ask you just to stay a little longer. When Mr. Green gets back, I may call you back.

Otherwise, I'd like to start with Mr. Witt, and invite him to testify. Excuse me, 1 second. So, can you stay for just a—

Mr. SEGAL. Absolutely, Mr. Chairman.

Mr. SHAYS. Thank you. Mr. Witt, you are the director of the Federal Emergency Management Agency, is that correct?

Mr. WITT. Yes, sir.

Mr. SHAYS. Well, I welcome you here, and if you would please raise your right hand.

[Witness sworn.]

Mr. SHAYS. Thank you very much, and Mr. Witt, I appreciate you staying here. And I'll just say, Mr. Segal, we'll be able to tell you in the next 5 to 10 minutes if he's coming back. Thank you, Mr. Witt. I welcome your testimony.

STATEMENT OF JAMES LEE WITT, DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. WITT. Thank you, Mr. Chairman, and good morning. I appreciate the opportunity to appear before you today to tell you about FEMA's work with AmeriCorps. I believe my friend, Eli Segal, has provided a terrific leadership, and it's been a great help to FEMA. And I hope it's been a useful experience for the AmeriCorps members who have participated. But the greatest benefit of the FEMA-AmeriCorps partnership has been to the American public.

When President Clinton asked me to become Director of FEMA, he gave me very clear orders. He told me he wanted his administration to respond quickly and efficiently to help people in communities impacted by disasters. He wanted to make sure that other agencies in the administration, which had skills and resources to help, would work with us to improve how we delivered assistance in disasters, and how we help people recover from the losses.

I think the record of this administration, in dealing with the floods, earthquakes, fires, and recent tragic bombing in Oklahoma City, shows that we have approached disaster response recovery as a full team effort. We have worked hard to show the American public that when disaster strikes, if they need our help, they can count on us to be there. One of the most critical members of that team has been the members of AmeriCorps.

FEMA's job in a disaster is two-fold. We have the authority and resources to accomplish this mission under Presidential declaration. But delivery of assistance is only one part of the job, because that delivery of help has to be done in accordance with community need. When a disaster strikes, FEMA receives a great deal of help from many quarters. We count on the Red Cross, the Salvation Army, and other volunteer organizations.

But the real key to responding effectively is to get people out as soon as possible into that community, that knows that community. These are the people who will work with individuals and local governments to assist their need, and to start the recovery process. These people are needed to work with the disaster victims; to apply for assistance where needed; to feed and shelter those left homeless by the disaster; to cleanup homes and businesses so that they can reopen; to work with the special needs of the elderly and the other segments of the community.

In each disaster, we learned again and again that community outreach makes the critical difference in moving a community toward recovery and economic stability. This kind of work requires unique talent, expertise—

Mr. SHAYS. Excuse me, Mr. Witt, I'm going to interrupt you just 1 second. We've learned that Mr. Green is coming back, but that he may not be back right away. And I know you have other things to do. So he is not going to be here to ask you questions, so you are free to go if you'd like. I'd like to request that someone from your office be here. If we have information that we need to have responded to, I'd like to be able to make sure that there will be someone. Who will be here?

Mr. SEGAL. Rick Allen is available.

Mr. SHAYS. OK. It may not necessitate our asking any questions, but yes. Would you just come to the microphone if you want to say anything else?

Mr. SEGAL. Mr. Chairman, thank you. I just would like to make sure we have in the record, if we may, the letter of charities and support from the charities who are supporting us; and the list of businesses who are supporting us. Mr. Chapman's statement, if we may, I submit for the record, as well.

[The prepared statement of Mr. Chapman follows:]

PREPARED STATEMENT OF ERIE CHAPMAN, CEO, U.S. HEALTH

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to testify on the great importance of continuing support for AmeriCorps. I am the President and CEO of U.S. Health, a large, non-profit, health care system with 11,000 employees and \$800 million in net revenues. More important, I testify today as the volunteer Chairman of the Board of City Year Columbus.

City Year Columbus—like the City Year programs in American cities from Boston to Chicago, to San Jose, receives significant support from AmeriCorps. City Year is a spectacularly successful example of public-private partnerships. Private corporations like U.S. Health, Bank One, The Limited and Timberland have put hundreds

of thousands of dollars behind the City Year effort. But that's not enough—AmeriCorps' support has made the difference. It was their funds which helped leverage contributions, support and stability—the kind of stability which gets the private sector organizations like my own to commit and young people to sign up. With AmeriCorps we have reached many more people.

Now that the private sector has made its commitment, and young people have made their commitment, it is astounding and outrageous to me, as a business leader, community leader, private citizen and, incidentally, a registered Republican, that the U.S. Congress would actually withdraw its commitment.

To me, the Congress is acting like a bomber pilot gone off course—not only bombing innocent citizens, but stealing a chance for solving some of the toughest problems inner cities face. If the recommendation to eliminate AmeriCorps stands, it will take away jobs and take away hope from people I have come to know in the City Year Corps—like 19 year old Don Gladden. Don is a former gang member who has pulled away from his gang to join the Corps. I asked him what he would be doing if it weren't for the Corps—He said, "I'd be standing on street corners attacking people, robbing people, beating them up, fighting with other gangs, you know, stuff like that. I'd probably be dead or lying in a hospital somewhere if it weren't for City Year".

Hospitals are where I work. For twenty years, I've seen people like Don come into our emergency rooms because they've been shot or stabbed. Or I've seen the victims of people like Don—who come in having been shot or stabbed. It's expensive.

Before I ran hospitals, I was a federal prosecuting attorney under a previous Republican administration. I saw people like Don there too—arrested for armed robbery or kidnapping. And I saw the victims of people like Don as well. It's expensive.

I know what hospitals do—it's expensive. I know what courtrooms and prisons do—it's expensive and it often doesn't work. Now I know what City Year and AmeriCorps do—they save people like Don and help make them into productive citizens. If Congress wants to save money, save AmeriCorps and City Year. They're not as expensive—they save dollars and lives and careers. If you think AmeriCorps is expensive, wait until you see the costs if you kill it.

A few months back, I was enthusiastic about much of what I saw in the plans proposed by my fellow Republicans, including our Congressman and good friend John Kasich. I didn't realize that they planned to put out a contract to cut programs like City Year and kill AmeriCorps. America's strategic plan needs to be to build healthy communities and simultaneously reduce violence. Everybody agrees with that. And these are the programs that have the best chance to save our young people and save our cities. These programs are like preventive medicine—always better and less expensive than the alternative. Now these great programs may be killed or fatally wounded—cut off in mid-sentence—before the point has been made.

I challenge Members of Congress to visit programs, hold hearings such as this one and get the facts. You will discover that a balanced budget is important—yet without balanced human beings, no budget can work. AmeriCorps works. City Year succeeds. They must be saved. Don Gladden and thousands of others are counting on us. And they're counting on Congress.

ATTACHMENTS TO WRITTEN TESTIMONY

"Governors of both parties that I've spoken with have shared my enthusiasm for getting behind President Clinton and Eli Segal on National Service programs like City Year. City Year is the classic N.C.A. program—regardless of party, it's something we can call a good thing."

—Remarks by Governor William Weld (Massachusetts)

National Governor's Association

July 17, 1994

"Today is a great day for service in Michigan—the kick-off for Michigan—AmeriCorps. Soon members of Michigan's AmeriCorps will be getting things done to meet the important needs of our communities, demonstrating that our greatest resource remains our people. AmeriCorps captures the promise found in all citizens, young and old, who see problems in their communities and work together to solve them. . . . You have come together, as have others in communities across the country, in the true spirit of service. Today, we celebrate the beginning of AmeriCorps and reaffirm traditions that we hold so dearly in Michigan—community, volunteerism, and service to others."

—Remarks by Governor John Engler (Michigan)

to Michigan's AmeriCorps Members

September 12, 1994

"AmeriCorps USA, California's new national service program, is another significant part of the state's service movement. In California alone there are over 2500 AmeriCorps members, engaged in service, who will be doing a wide range of work, from reducing juvenile crime, and providing service participants valuable skills and experience to encouraging adult and youth role models to mentor and tutor students at risk of dropping out of school or academic failure and encouraging preventive approaches to meeting unmet human needs."

—Letter from Governor Pete Wilson (California)
to Attendees at California Conference on Service
and Volunteerism
January 26, 1995

"While balancing the budgets, fighting unfunded mandates, and streamlining government, I am committed to this community service program for Montana communities and citizens. If we can be as creative and constructive with other federal dollars in Montana as we are with our community service efforts, Montanans will inevitably win."

—Letter from Governor Marc Racicot (Montana)
to State Rep. Dick Green
February 24, 1995

"I am enthusiastic and impressed with the work of the [Border Volunteer Corps] and all the other AmeriCorps programs in Arizona. . . . AmeriCorps is not government as usual, but rather an investment in local programs—building public/private partnerships and delivering measurable, tangible results."

—Letter from Governor Fife Symington (Arizona)
to Mr. Richard H. Carter, Executive Director
Border Volunteer Corps
May 9, 1995

NATIONAL AND COMMUNITY SERVICE COALITION,
Washington, DC, April 6, 1995.

DEAR MEMBERS OF CONGRESS: As representatives of the nation's volunteer organizations we write to express our support for the National and Community Service Trust Act of 1993.

Our organizations are engaged in meeting community and individual needs across the country every day. We are proud of our tradition and the work that we do. We are disturbed by recent attacks on the national and community service program, and are especially concerned about the suggestion that this program undermines the work of voluntary organizations or subverts the volunteer spirit of the American people.

On the contrary, we have found the national and community service program, including AmeriCorps an enormously beneficial addition to the traditional voluntary sector. This program has not undermined our position, rather it has enhanced our efforts and strengthened our institutions.

In the short time the national and community service program has been operating, we already have seen its positive impact. It is building low-income housing, teaching students to use computers, creating playgrounds from vacant lots, and cleaning up our rivers and streams. The national and community service program has been a source of talented, enthusiastic, energetic people, who might not have otherwise had the chance to serve. It has helped many small community-based organizations expand the quantity quality of the services they offer. It is instilling a national ethic of civic responsibility among Americans of all ages. And perhaps most important, rather than replacing volunteers or diminishing volunteerism, we are finding over and over again that national service participants are helping draw more volunteer service in communities across the country.

We all share the goal of helping to rebuild society and revitalize our communities—and we believe that the national and community service program is an important part of that effort. We urge you to join us in supporting this program.

NANCY EVANS,
President, Association of Junior
Leagues International.

THOMAS M. MCKENNA,
National Executive Director, Big
Brothers/Big Sisters.

BISHOP ROY L. H. WINBUSH,
Chairman of the Board, Congress of
National Black Churches.

- MARY ROSE MAIN,
National Executive Director, Girl
Scouts of the USA.
- GENERAL MICHAEL J. DUGAN,
U.S.A.F. Retired, National Multiple
Sclerosis Society.
- DAVID R. MERCER,
Executive Director, YMCA of the
U.S.A.
- HORACE B. DEETS,
Executive Director, American Asso-
ciation of Retired Persons.
- MARY BURGAN,
General Secretary, American Asso-
ciation of University Professors.
- DANIEL W. MERENDA,
President & CEO, National Associa-
tion of Partners in Education, Inc.
- TOMMY P. BAER,
President, B'Nai B'Rith Inter-
national.
- DR. JOAN B. CAMPBELL,
General Secretary, National Council
of Churches in the U.S.A.
- PATRICIA RENNER,
President, National Association of
RSVP Directors, Inc.
- SARA MELENDEZ,
President, Independent Sector.
- RICHARD FITZPATRICK,
Executive Director, National Coali-
tion for Homeless Veterans.
- GORDON RALEY,
Executive Director, National Collabo-
ration for Youth.
- ANN MITCHELL,
Executive Director, National Council
of Non-Profit Associations.
- RICHARD SCHUBERT,
President and CEO, Points of Light
Foundation.
- PREMA MATHAI-DAVIS,
National Executive Director, YMCA
of the U.S.A.
- PAULA VAN NESS,
President, National AIDS Fund.
- MAGGIE FOGARTY,
Assistant Executive Director, Catho-
lic Network Volunteer Services.
- KATIE BURNHAM,
Executive Director, Society of Non-
profit Organizations.
- MARY LOUISE SCHWEIKERT,
President, National Association of
Foster Grandparents Program Di-
rectors.
- JOHN PRIBYL,
President, National Association of
Senior Companion Directors.
- JUSTIN A. WIEBERS,
Executive Director, National Colle-
giate 4-H.

AMERICAN RED CROSS,
Washington, DC, April 21, 1995.

Hon. CHRISTOPHER BOND,
U.S. Senate,
Suite SR-293,
Washington, DC.

DEAR SENATOR BOND: The American Red Cross, a multi-service, volunteer based community service organization, joins with our sister charitable agencies in writing you on behalf of AmeriCorps.

We consider AmeriCorps to be a valuable addition to the traditional voluntary sector and a means of broadening the pool of citizens who will have experienced the challenges and joy of community service. Stipended service neither undermines nor takes the place of volunteerism. It adds to the capacity of charitable organizations and is a means of attracting people into a lifetime of awareness of community needs through participation in intense and long-term service opportunities. The many former Peace Corps members who currently staff the Red Cross and other voluntary organizations in both paid and volunteer capacities, testify to the fact that their 2-year stipended service served as a stepping stone to further service.

At the American Red Cross, AmeriCorps members are working in disaster relief and disaster prevention, and are instructing and being trained to instruct in health and safety programs including CPR, Basic First Aid, Water Safety, and HIV/AIDS education, especially Peer Instructor Training. They will pass on their skills and enthusiasm to hundreds of community residents and, by so doing, not only create safer communities but also many new service providers, instructors, and instructor trainers.

The only way America's communities will not benefit from AmeriCorps and other National and Community Service programs, is if they are discontinued. Please do not allow this to happen.

Sincerely,

KAREN GOODMAN,
National Chairman of Volunteers.

UNITED WAY OF AMERICA,
Alexandria, VA, March 21, 1995.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN HATFIELD: As you consider the package of rescissions which passed the House of Representatives last week, we request that you give careful consideration to the \$416 million reduction in the fiscal year 1995 appropriations for the Corporation for National Service. This proposed reduction comes from the account of \$575 million for AmeriCorps USA, AmeriCorps NCCC, and Learn and Serve America. With the proposed reduction of 72%, the AmeriCorps program effectively ceases to function.

The 2,100 local United Ways and the approximately 44,000 agencies that they serve are made up of tens of thousands of volunteers. The United Way system is acknowledged nationwide as the leader in volunteer service. Since the inception of the AmeriCorps program, local United Ways in partnership with local agencies have been able to increase volunteer activities through this program. Even though the AmeriCorps program is less than a year old, it is having a demonstrable, positive effect in our communities. United Way of America itself is the recipient of a grant to provide technical assistance and training throughout the country.

As a system, we have demonstrated the value of volunteerism. The AmeriCorps program allows individuals who might not otherwise be able to take advantage of such opportunities, to learn and understand the value of volunteerism. These lessons, learned at an early age, usually influence activities throughout one's lifetime. We hope, as you make your determinations on the rescission package, that you will keep the positive aspects of this program in mind.

With best regards,

NANCY MOHR KENNEDY,
Vice President for Government Relations.

AMERICORPS INVESTORS

The following is a partial list of corporate giving programs and corporate, independent and community foundations that are investing in community service organizations that are a part of the AmeriCorps National Service Network:

Alcoa	W. K. Kellogg Foundation
AlliedSignal	Key Bank of NY
Allstate	Knight Foundation
Amelior Foundation	Luce Foundation
American Airlines	MacArthur Foundation
American Express	MBNA
Ameritech	McKesson
Anheuser-Busch	Meadows Foundation
ARCO	Mellon Bank
Arizona Foundation	R.K. Mellon Foundation
Arthur Anderson	Meyer Foundation
Bank of Boston	Microsoft
Bank of New Hampshire	Millipore
Bechtel	Mobil
BellSouth	Monsanto
Booth Ferris Industries	Morgan Stanley
Boston Foundation	Charles S. Mott Foundation
British Petroleum	NationsBank
Bullitt Foundation	NH Charitable Foundation
Burnett-Tandy Foundation	Nike
Cabletron Systems	NYNEX
California Community Foundation	Packard Foundation
Capital Cities/ABC	Panhandle Eastern
Carnegie Corporation of NY	Patagonia
Amon G. Carter Foundation	Pew Charitable Trust
Chevron	Philip Morris
Citizens Bank	PNC Bank
Compaq	Polaroid
Cowell Foundation	Prince Charitable Trust
Charles A. Dana Foundation	Procter and Gamble
Digital Equipment Corporation	Providian Bank
Echoing Green Foundation	Prudential Insurance
Enron	Reebok
Entergy	RI Hospital Trust Bank
Fannie Mae	Winthrop Rockefeller Foundation
First Deposit National Bank	The Rouse Company
Fleet Bank	Safeco Insurance
Ford Foundation	Sallie Mae
The Gap	Joseph E. Seagram & Sons
General Electric	Shell Oil
General Mills	Skillman Foundation
Grand Rapids Foundation	Sony Corporation of America
Greater Cincinnati Foundation	Sprint
GTE	Steelcase
E. & W. Haas Jr. Foundation	Surdna Foundation
Hall Family Foundations	Tenneco
Healthsource	Texaco
Hogg Foundation	Timberland
The Home Depot	Time Warner
Houston Endowment	Toyota
IBM	Union Pacific
JCPenney	United Way of America
J.P. Morgan	UPS
James Irvine Foundation	U.S. Health Corporation
Robert Wood Johnson Foundation	Waste Management
Johnson & Johnson	Western Resources
Kansas City Community Foundation	Lola Wright Foundation
Kauffman Foundation	Xerox

AMERICORPS COMMUNITY PARTNERS

The following is a partial list of national and local volunteer, charitable and service organizations through which AmeriCorps is getting things done in over a thousand communities across the nation.

4-H

Albany Police Department
American Red Cross
Arctic Village Tribal Council
Arlington Police Department
SPIRA
Audubon Society
Big Brothers/Big Sisters
Big Horn Police Department
Boy Scouts of America
Boys and Girls Clubs
Camp Fire Boys and Girls
Casper Police Department
Catholic Charities
Chambers of Commerce
City of Decatur Police Department
Clearwater Police Department
Coalition of 100 Black Women
Confederated Tribes and Bands of Yakima
Dallas Police Department
D.A.R.E.
Ft. Worth Police Department
Girl Scouts of the USA
Girls, Inc.
Goodwill Industries
Habitat For Humanity
Hart County Police Department
Head Start Programs
Humane Society
I Have a Dream Foundation
Independent Sector
Indianapolis Police Department
Jewish Family Services
Jubilee Housing
Junior League
Kickpoo Tribe
Lincoln County Sheriffs Department
Lions Club
Literacy Volunteers of America
Knick Tribal Council
Meals on Wheels
Metropolitan Police Department of St. Louis
Mid-Atlantic Network of Youth and Family Services
Navajo Nations
National AIDS Fund
National Center for Family Literacy

National Council of Churches of Christ in the USA
National Council of Educational Opportunity Associations
National Council of LaRaza
National Council of Non Profit Associations
National Endowment for the Arts
National Multiple Sclerosis Society
National Organization for Victim Assistance
Neighborhood Green Corps
New York University
NezPerce Tribe
Northeastern University
Ouzinkie Tribal Council
Parents Anonymous
Philadelphia Bar Association
Pinelas Sheriffs Department
Points of Light Foundation
Pompano Beach Police
Public Allies
Public Education Fund Network
Rotary Club
Salvation Army
Seattle Police Department
Shoshone-Bannock Tribe
Sierra Club
St. Petersburg Police Department
Sunflower Girls
Teach for America
Tuntutulkia Traditional Council
United Cerebral Palsy
University of Texas, Austin
United Way of America
Urban League
Visiting Nurses Association
Volunteer Centers
Volunteers of America
Westin County Sheriffs Department
YMCA of the USA
YWCA
Dozens of colleges and universities
Dozens of community health centers
Dozens of police and sheriffs departments
Hundreds of elementary, junior and high schools

Mr. SHAYS. Any information—and that goes for anyone who is testifying and would like to submit followup information, based on testimony here today—you're more than welcome to.

Mr. SEGAL. And my one last one, Mr. Chairman—

Mr. SHAYS. Yes, sir.

Mr. SEGAL [continuing]. Is I'd like to clarify that when you asked me a question about dropout rate, I wanted to make clear that we believe our dropout rate is, and will continue to be, substantially lower than the dropout rate of the Peace Corps, the military, and

college. It will be too early to say definitively what it is, but it's at less than 10 percent at this point.

Mr. SHAYS. Thank you. So the record will say it's less than 10 percent, and you anticipate it will be at that amount.

Mr. SEGAL. Thanks very much, Mr. Chairman.

Mr. SHAYS. Let me just say to you, Mr. Segal, that I have been astounded by your willingness to work with people on both sides of the aisle so graciously. And I also have been very impressed by your willingness to have to deal and create a program, and at the same time defend it from extinction. And you've done it with tremendous patience and good nature.

And I can't predict what will happen the next 2 years, but I just have to say I have never met anyone quite like you. You're an extraordinary man.

Mr. SEGAL. Mr. Chairman, I thank you. It is an honor to serve in this role. Having started many businesses, nothing has been as gratifying as this, despite the obvious ups and downs. I often say that democracy is a lot harder than capitalism, but it's a lot more rewarding, too. Thank you very much.

Mr. SHAYS. Thank you. Mr. Witt, I'm sorry to—and I'm going to ask you, if you might, to really focus your testimony on the use of national service participants and AmeriCorps participants. And we need to be clear as to how they interact with your agencies. I mean, are they employees? I don't want to split hairs here; I really want to have a sense, ultimately, of what they are and what they do.

Mr. WITT. OK.

Mr. SHAYS. So if you could do that, that would be very helpful to us.

Mr. WITT. This kind of work requires unique talent, expertise and a commitment to be in that community for the duration of the recovery period. This type of community service that AmeriCorps was designed to do.

Mr. TOWNS. Mr. Witt, could you pull the microphone down?

Mr. SHAYS. Yes, just pull it down, as you look down.

Mr. WITT. OK. Let me kind of summarize the rest of this.

Mr. SHAYS. Yes, I would appreciate that. I realize that when you're prepared to read a statement, it makes it a little more awkward. Lord knows, I messed up my written statement when I started, so you're given some latitude.

Mr. WITT. My experience with AmeriCorps has been unique in itself because we rely on a lot of disaster reservists to work for FEMA in the field, when we have a disaster; because we only have 2,300 FTE's in our agency.

Mr. SHAYS. How many?

Mr. WITT. 2,300.

Mr. SHAYS. OK.

Mr. WITT. And it dates back to the Northridge earthquake in California. AmeriCorps supported FEMA in helping those communities to recover. They also support the Red Cross. They also support the Salvation Army. And I think it was very, very visible in Houston, where we had 24 AmeriCorps members through the Serve Houston group, that came in and helped individuals, elderly, and people that needed help, to clean 1,300 homes that had been flooded.

I personally was there, went to a house where AmeriCorps volunteers were working. They were scrubbing the walls; they were scrubbing dishes; they were cleaning the floors, to help this elderly couple to get their lives back together. That's the kind of service these groups are providing in assisting FEMA in communities, and helping us to rebuild communities. This elderly couple, I never will forget them.

The gentleman had just had surgery, he was 70-something years old. They had 12 children and 38 grandchildren; and he told me his whole family story. And they were so proud of this group of young people in there helping them. But this is the type of assistance that they have been able to help us in the communities that have been hit by disasters. They're helping us in Louisiana right now, in that terrible flood we just had.

[The prepared statement of Mr. Witt follows:]

PREPARED STATEMENT OF JAMES LEE WITT, DIRECTOR, FEDERAL EMERGENCY
MANAGEMENT AGENCY

Good morning. I appreciate the opportunity to appear before you today to tell you about FEMA's work with AmeriCorps. I believe my friend Eli Segal has provided terrific leadership and it's been a great help to FEMA—and I hope it's been a useful experience for the AmeriCorps members who have participated. But the greatest benefit of the FEMA/AmeriCorps partnership has been to the American public.

When President Clinton asked me to become director of FEMA, he gave me very clear orders. He told me that he wanted his administration to respond quickly and efficiently to help people and communities impacted by disasters. He wanted to make sure that other agencies in the administration which had skills and resources to help would work with us to improve how we deliver assistance in a disaster and how we help people recover from their losses.

I think the record of this administration, in dealing with floods, earthquakes, fires and the recent tragic bombing in Oklahoma City, shows that we have approached disaster response and recovery as a full team effort. We have worked hard to show the American public that when disaster strikes and they need our help, they can count on us to be there. And one of the most critical members of that team has been AmeriCorps.

FEMA's job in a disaster is twofold. We have the authority and resources to accomplish this mission under a Presidential declaration. But delivery of assistance is only one part of the job. Because that delivery of help has to be done in accordance with community needs.

When a disaster strikes, FEMA receives a great deal of help from many quarters. We count on the Red Cross, the Salvation Army, and other voluntary organizations. But the real key to responding effectively is to get people out, as soon as possible, into that community who know that community.

These are the people who will work with individuals and local governments to assess their needs and to start the recovery process. These people are needed to work with disaster victims to apply for assistance where needed, to feed and shelter those left homeless by the disaster, to clean up homes and businesses so that they can reopen, to work with the special needs of the elderly and other segments of the community.

In each disaster, we learned again and again that community outreach makes the critical difference in moving a community toward recovery and economic stability. This kind of work requires unique talents, expertise, and a commitment to be in that community for the duration of the recovery period. It's the type of community service that AmeriCorps was designed to do.

In disaster after disaster, AmeriCorps members have made the difference in how quickly we have helped individuals and whole communities recover from the social and economic impacts of the disaster. And this difference has led to a more efficient and cost-effective Federal response.

My experience with AmeriCorps dates back to the Northridge earthquake in California. They gave FEMA great support for our response and recovery efforts. Our relationship was strengthened during the flooding in Houston last October and November when we got together with "Serve Houston", the local sponsoring group, to set up the program.

They detailed to us 24 members who worked closely with our community relations staff for six weeks. These young people knew the community, wanted to learn, and wanted to help. And they did.

—They contacted residents in more than 1,300 households who, in some cases, needed help but didn't know how to apply. This was real door-to-door outreach in neglected neighborhoods that needed this special attention.

—They helped elderly residents clean and repair their homes. In fact, I visited with the members that were scrubbing the walls of the home of Carl and Carrie Ward, an elderly couple that needed, and appreciated, the help.

—They helped to dispense food and clothing at Red Cross assistance centers. In fact, many AmeriCorps members have been trained by the Red Cross as mass care technicians and have been helping the Red Cross in many disaster situations.

Since our Houston experience, we have maintained our working relationship. At this moment, for example, fifty AmeriCorps members are working with the Red Cross in Louisiana to provide mass care to people affected by the flooding.

The AmeriCorps members were particularly helpful during our work in Oklahoma City. Almost a dozen AmeriCorps members came from St. Louis, before we could even request their help, and helped set up the best donations program in FEMA's history.

That was a big job, because the outpouring of assistance from around the country, but particularly from Oklahoma City itself, was fantastic. We received a huge amount of goods, and the young AmeriCorps people made sure that it was used in the most efficient manner.

—They coordinated eight different sites in the area dealing with a variety of donated goods.

—They organized the donations that were actually used by the rescue workers, goods such as knee pads, and tools, and respirators.

—They were especially helpful with clothing donations; due to the work in the building, clothing had to be changed frequently, and the workers went through gloves quickly, so these donations were essential.

—The AmeriCorps group at work in Oklahoma City were highly motivated and very self-sufficient; one of my staff referred to them as "the perfect responders" in those respects.

—After a couple of weeks of intense effort, the St. Louis contingent was relieved by a group of AmeriCorps members from around the Oklahoma City area. They are still working to help the city de-mobilize and complete the work with donated goods.

This relationship with AmeriCorps is one that we at FEMA want to expand on. In fact, that was one of the recommendations from our Reinventing Government Group—that we should build on our work with AmeriCorps.

It is a big help to disaster victims in a community to work with young people who will be around for a while, and are well versed in services available in the community beyond disaster relief.

But as head of the Federal Emergency Management Agency, and as an emergency management professional for more than a decade, I have a selfish interest in AmeriCorps because it offers a tremendous collateral benefit.

When these members complete their service they will be going on to college. It's our hope that their experience with FEMA will encourage them to consider becoming a regular asset to FEMA as part of our "DAE" contingent. That's the group that we activate during disasters to help us administer our program.

In the case of the AmeriCorps members, we'll be able to tap into a pool of dedicated people who will already be trained and have a working knowledge of FEMA programs and policies. These are the kinds of people who can really hit the ground running.

The challenges of the last few years, from the hurricanes on the east coast, to the flooding in the midwest, to the earthquakes and fires in California, demonstrate that the emergency management community will always need a cadre of disaster employees who are committed to public service.

We like to think of AmeriCorps members as our apprentices that are preparing to meet the challenges of the future. We at FEMA believe that AmeriCorps is a Federal program that works and works well. We believe it has helped us do our jobs better and more efficiently and has served America well.

We believe it's a program that works in establishing the finest values of service to America.

Thank you Mr. Chairman, for this opportunity to publicly thank the AmeriCorps members for their tremendous help to FEMA. I know you value public service in its many forms and I hope my testimony has added to the success of this hearing.

Thanks also to you and the members of this subcommittee for your support of FEMA over the last few years. I would be pleased to answer any questions you might have.

Mr. SHAYS. Just clarify for me—they are working under your direction. Are they part of a community program in these various communities, and then they have been mobilized to help? Are they under some nonprofit organization that is in charge of their activities? Exactly what are they doing, and how are they connected to you?

Mr. WITT. They're under the—like the Serve Houston nonprofit corporation that works under Eli Segal. They come in and assist us in the disaster. They have allocated 24 people in Houston to help us. In the Oklahoma City bombing—

Mr. SHAYS. Yes.

Mr. WITT [continuing]. We had 60-something AmeriCorps people come from Tulsa. We didn't ask; they came to see if they could help that group. They helped with one of the most fantastic donated goods systems that has ever been put together. Because we had donated goods from all over the country, and the effort in Oklahoma City itself was just fantastic.

But they helped set up donated goods systems. They helped make sure that those donated goods got to the victims and the rescue workers. They worked in the area where we had all of our rescue workers, handing out kneepads for rescue workers; handing out clothing and gloves, because the clothing had to be changed frequently and the gloves wore out very fast, as well as the kneepads. So they're a tremendous asset to not only the communities, but to us in our efforts to help a community get their life back together.

Mr. SHAYS. Now, they didn't replace any volunteers. I watched fairly closely what happened in Oklahoma, and you had paid firemen, you had volunteers, you had a whole host of different organizations that were involved.

Mr. WITT. They supported those organizations, and assisted and helped us in that recovery. It was tremendous, Mr. Chairman.

Mr. SHAYS. Now, you do not have a unit within FEMA that are national service employees within your organization?

Mr. WITT. No, sir.

Mr. SHAYS. These are national service participants who work for nonprofit agencies in the areas that you end up having to go. And they help mobilize activities, involved under your direction. How does that last part work? Is it under your direction, or is it—

Mr. WITT. They will come in to assist us in outreach programs, which we have outreach programs, and we got them in that.

Mr. SHAYS. I'm going to interrupt you. Who ultimately controls a site, when you go into a place like Oklahoma? Are you assisting? Are you providing background help? Do you take over control of the site? How does that work?

Mr. WITT. No, sir. Our job and our role and responsibility is to provide the resources and assistance to support the State and that local community.

Mr. SHAYS. Thank you. I'd just like to welcome two members—Mr. Davis of Virginia, and Mr. Chaka Fattah, who is from Philadelphia, PA, and is invited to ask any questions he'd like to.

Mr. FATTAH. Thank you, Mr. Chairman. Let me open up by complimenting your work and your agency's work in the most recent circumstance in Oklahoma. But you have done a tremendous job at FEMA. Let me ask you specifically about the AmeriCorps program. And as you know, it has been marked up for the Budget Committee to eliminate all funding for this program. How would that have an impact in either the Northridge situation or the Oklahoma situation, in your estimation?

Mr. WITT. What we would have to do, Congressman, would be to bring in more reservists to support our outreach programs and help support our donated goods programs, and also to help cleanup homes after a disaster. So it would cost us more dollars.

Mr. FATTAH. So the corporation—its decentralized approach, in terms of having these national service workers out in the field, do you think that has a real impact at the ground level?

Mr. WITT. Yes, sir, because these young people know that community that we're working in. They live in that community, and in some cases, know the families. So it makes a tremendous difference for these young people to be there to support those efforts to recover.

Mr. FATTAH. I want, just to clarify, I think I know the answer to this, but just so we can get it on the record, this program—the national service corporation—does indeed conserve, in your estimation, Federal resources that would be expended by other agencies, such as your own?

Mr. WITT. There's no doubt. Just in Houston alone, cleaning 1,300 homes, and then being able to move these families back in these homes much faster saved several thousands of dollars in temporary housing from us.

Mr. FATTAH. Thank you, Mr. Director.

Mr. SHAYS. Thank you, Mr. Davis. You know, everybody has a phone today. I don't know what's going on, but it's driving me crazy.

Mr. FATTAH. I don't have a phone, Mr. Chairman.

Mr. SHAYS. Not everybody, excuse me.

Mr. DAVIS. That was for you, Mr. Chairman. [Laughter.] I note from your testimony that originally, a number of the AmeriCorps volunteers came from St. Louis?

Mr. WITT. Yes.

Mr. DAVIS. To Oklahoma City. And later they were spelled by the locals. Were the locals active during that time period as well?

Mr. WITT. I don't know how many locals were active there. I think the locals got after the group came in and started working, and then they relieved this group. Because it was a very emotional time, you know.

Mr. DAVIS. I see.

Mr. WITT. Very high stress. And even our Fairfax County Search and Rescue Team, who did a fantastic job—every 2 hours, we had to pull them out to counsel. So it was a very difficult situation.

Mr. DAVIS. What other volunteer groups would have helped with this? I don't mean these are volunteers, but what other groups helped, besides the AmeriCorps groups and some of the fire and rescue people from around the country, in the Oklahoma City disaster?

Mr. WITT. We had Salvation Army, Red Cross. We had the Baptist men groups. We had Mennonites come in and help us at different times. A lot of different volunteer organizations that set up food services, do a lot of other things. But these young people that worked with us, and have worked with us in several disasters now, help us in outreach, which makes a big difference.

Mr. DAVIS. So do you need some sort of special training? They brought a particular niche to this effort that would have been hard to replace.

Mr. WITT. Yes, yes, it would have.

Mr. DAVIS. OK. Did they get special training for that, before they were sent in?

Mr. WITT. Red Cross has done a tremendous job in helping us train. We also train, as well. Red Cross trained in mass care and donated goods efforts. So it's a kind of a combined effort in training these young people. But I think the most important thing is, they get a lot of on-the-job training—working and mentoring with people working with them. And I think that makes a big difference.

Mr. DAVIS. When you take a look at this particular group, is motivation higher than the normal? I mean, the fact that they've joined AmeriCorps to begin with, and now they're put in tough situations—talk about their morale a little bit.

Mr. WITT. I don't think I have ever seen a group of young people take any more pride than what they have taken in helping us in help communities and individuals get their lives back together. I had young people from AmeriCorps come up to me in Houston and say, you know, this has been the most fantastic experience that I have been able to have; it has really made a difference in my life.

They're not only learning, but they're learning about life. They're learning about helping communities, and value in their life. It's incredible.

Mr. DAVIS. That will stay with them a long time, I mean, through a lifetime.

Mr. WITT. Yes.

Mr. DAVIS. It would be hard to put a price tag on that, I guess.

Mr. WITT. It is.

Mr. DAVIS. Yes. All right, thank you very much. I yield back.

Mr. SHAYS. I thank the gentleman. I thank you, Mr. Witt, for your testimony. And I appreciate that you were here to give it.

Mr. WITT. Thank you, Mr. Chairman.

Mr. SHAYS. We'll go to Panel III, and I would sincerely like to thank our three panelists—Allyson Tucker and Jill Lacey and John Walters—and invite them to come and present testimony. I apologize to all three of you; I probably should have just asked you to remain standing, and we can begin the process of swearing you in.

[Witnesses sworn.]

Mr. SHAYS. I'm going to repeat a point I made earlier, before inviting you to testify. All three of you know that I am a strong supporter of this program, there is no program I believe in more. I understand if you feel a little awkward, coming before me as a committee chairman, but we will be very fair to you. And I will say that I know that each of you believes, just as passionately as I believe, you believe as passionately, I'm sure, because you have all been very vocal.

And so I certainly respect you for your convictions. And we'll be able to have an exchange. And you've heard testimony of the others, and you can correct the testimony if you think it needs correcting. And we'll pursue your documentation and your statistics. So I just really welcome you here, and I'll go in the order of my printed document. I have Allyson Tucker first; Jill Lacey, second; and John Walters, third.

I'm going to ask you to summarize your testimony, but I want you to feel free—given you're the only panel of critics—to make sure that you have said everything you feel needs to be put on the record. So Allyson Tucker, you may begin.

STATEMENT OF ALLYSON TUCKER, MANAGER, CENTER FOR EDUCATIONAL LAW AND POLICY

Ms. TUCKER. Thank you, Mr. Chairman, we're very happy to be here today. We're here today to discuss the fate of the AmeriCorps program. In this time of congressional evaluation of expensive Government programs, it is clear that AmeriCorps should be among the first to be eliminated. As with most government programs, the rhetoric behind AmeriCorps is appealing. In proposing the program, as you know very well, President Clinton declared that national service would be America at its best.

The reality, however—

Mr. SHAYS. Miss Tucker, if you could just lower the microphone a little bit.

Ms. TUCKER. Sure.

Mr. SHAYS. Because when you look down, your voice travels that way.

Ms. TUCKER. The reality, however, is that the AmeriCorps program is nothing more than an expensive Government jobs program; that at least half the money spent on AmeriCorps ends up funding bureaucracies and paperwork; that AmeriCorps does little to help working families pay for college; and that AmeriCorps does little to promote volunteerism.

It's touching to sit here and listen to a lot of the stories and things that these volunteers could do. But I think we have to get back to what the program really is, and what it really is doing. First of all, AmeriCorps are not really volunteers; and we haven't really talked about that much this morning. Despite the President's appealing rhetoric, and the rhetoric we've heard this morning, the AmeriCorps is not a genuine community service or volunteer program.

The program offers substantial subsidies, in the form of Federal vouchers and ancillary benefits, for relatively little personal sacrifice. In fact, in many instances, the AmeriCorps jobs offer larger financial compensation than these same young students could receive in private sector employment. Each AmeriCorps volunteer is paid a \$7,400 stipend, a \$4,750 tuition credit; and these two benefits together are worth approximately \$7.27 an hour, plus medical benefits and child care.

Beyond these taxpayer subsidies, the act permits States and service organizations to supplement the Federal compensation package. So they could be paid up to twice the minimum wage, of \$8.50, and retain their eligibility for the education voucher. The

total AmeriCorps package is worth nearly \$20,000 annually, more than the income of 39.3 million working Americans. In fact, the AmeriCorps benefit package is close to the median income of workers in the private sector, which is \$20,500 for females, and \$29,400 for males, including those with years of experience.

The educational benefits, when you take into consideration that the military has to pay back a certain portion, exceed those available to veterans. Thus, participation in AmeriCorps is hardly a personal sacrifice. Also, AmeriCorps does little to help American families pay for college, and does not accomplish its stated goals of expanding educational opportunity.

Despite a 1993-94 price tag of \$1.55.5 million, about one-tenth of 1 percent of the 16 million students enrolled in post-secondary education participated in AmeriCorps. Even if Congress expands the program to 150,000 participants by 1997, as the Clinton administration has requested, less than 1 percent of American students will be able to participate. In contrast, the Federal Government currently helps 3.9 million students pay their education expenses through the GSL—Guaranteed Student Loan—program; and provides Pell Grants of up to \$2,300 to over 2 million students.

Combined Federal grant and loan programs cost the American taxpayer roughly \$25 billion in 1993, or \$4,181 per student. These programs served over 6 million students. The AmeriCorps program, if you divide the money, costs the taxpayer roughly \$30,000 per student, per year, or a total cost of roughly \$60,000 for 2 years of service. But only a small portion of this money—\$4,750 for each year of participation—will actually go to meeting educational expenses.

At least half the money spent on AmeriCorps also ends up funding bureaucracies and paperwork. In 1993 and 1994, AmeriCorps employed, as we've heard, 20,000 volunteers. The reality, however, is that the majority of these volunteers work in Federal and State bureaucracies, government-funded programs, or even political action organizations. For example, more than 2,800 AmeriCorps participants work in Federal departments or agencies, including 1,200 in the U.S. Department of Agriculture; 525 in the Interior Department; 210 in the Department of Justice; 135 in the EPA; and 60 at the National Endowment for the Arts.

AmeriCorps are also awarded ACORN Housing Corp., which is the Association of Community Organizations for Reform Now—a radical, left-wing group that advocates change by “grabbing hold of the reins of political power”—42 volunteers, at the cost of \$1,143,000. Similarly, the federally funded Legal Services Corp., the chief litigator of the welfare state, which, for example, represents drug dealers when they are threatened with eviction from public housing, was awarded 44 AmeriCorps volunteers, costing the U.S. taxpayer close to \$959,000, plus an additional \$1,242,784 in matching funds.

In San Francisco, the AmeriCorps Summer of Safety program organized 40 groups to rally against the Federal Government's crime bill's three strikes and you're out provision. More than half the AmeriCorps appropriation is also spent on administrative costs and paperwork. And a great deal of this money goes to overhead and administration. For instance, an Oklahoma World Herald editorial

reported that Nebraska received a grant of \$457,622 to recruit just 23 AmeriCorps members, which is \$19,987 in bureaucratic overhead per recruit.

Some projects are even more expensive. And according to an NBC Nightly News report by Lisa Myers, an environmental project in Alaska cost taxpayers \$42,000 annually, per volunteer. Similarly, educators at Northwestern University, for example, were given \$140,000 by AmeriCorps to develop "a plan to compete for more AmeriCorps money next year," without funding a single volunteer.

AmeriCorps also gave bureaucrats a \$100,000 planning grant to study a volunteer corps in the Virgin Islands, and gave the Council of Great City Schools, which is devoted to "the advancement of education in inner city public schools through public and legislative advocacy," a \$200,000 planning grant. Again, none of this money went to help students pay for college.

AmeriCorps also does not promote volunteerism. The generosity of the benefits of the new Federal AmeriCorps program sends a mixed message about volunteering. Taxpayers do not need yet another program that will do what millions of Americans are already doing on their own. Private sector community service is thriving. The Labor Department estimates that 3 million unpaid volunteers, between the ages of 18 and 25, most of whom work for religious organizations, are the backbone of community service.

At least 94 million Americans currently participate in volunteer activities. Schools are also encouraging students to volunteer, by expanding the regular curriculums to include service jobs. And in my written testimony, I go through some of the examples of this type of thing. In conclusion, despite a \$1.7 million public relations budget, the laudable goals of AmeriCorps do not match its reality.

If the goal is to expand educational opportunity, the AmeriCorps budget would be better spent on direct aid to students. If the goal is to stimulate service, Congress should amend the tax code and allow for tax credits or increased deductions for those who do donate their time and money. Congress should reduce Federal spending, rather than creating a new entitlement program, and adding to their already-huge national debt.

Congress should repeal AmeriCorps, a program that awards taxpayers' dollars to special interests, ideological and political organizations, and to bloated bureaucracies, and falls short of its intended goals. For Federal taxpayers, national service is an expensive venture, with few, if any, net gains.

[The prepared statement of Mrs. Tucker follows:]

PREPARED STATEMENT OF ALLYSON TUCKER, MANAGER, CENTER FOR EDUCATIONAL
LAW AND POLICY

INTRODUCTION

We are here today to discuss the fate of the Americorps program. In this time of congressional evaluation of expensive federal government programs, it is clear that Americorps should be among the first to be eliminated. As with most government programs, the rhetoric behind Americorps is appealing. In proposing the program, President Clinton declared "National service will be America at its best—building community, offering opportunity, and rewarding responsibility. National service is a challenge for Americans from every background and way of life, and it

values something far more than money."¹ The reality, however, is that the Americorps program is nothing more than another expensive government jobs program, that at least half of the money spent on Americorps ends up funding bureaucracies and paperwork, that Americorps does little to help working families pay for college, and that Americorps does little to promote volunteerism.

Americorps workers are not volunteers. Despite the President's appealing rhetoric, the Americorps program is not a genuine community service or volunteer program. The program offers substantial subsidies, in the form of federal vouchers and ancillary benefits, for relatively little personal sacrifice. In fact, in many instances, the Americorps jobs offer larger financial compensation than these same young students could receive in private sector employment. Each Americorps "volunteer" is paid a \$7,400 stipend and a \$4,750 tuition credit, worth approximately \$7.27 per hour, plus medical benefits and free child care. Beyond these taxpayer subsidies, the Act permits the states and service organizations to supplement the federal compensation package. Service workers could be paid up to twice the minimum wage, \$8.50, and still retain their eligibility for the education voucher.

The total Americorps package is worth nearly \$20,000 annually, more than the income of 39.3 million working Americans. In fact, the Americorps benefit package is close to the median income of workers in the private sector, which is \$29,400 for males and \$20,500 for females, including those with years of experience. The educational benefits also exceed those available to veterans. Participation in the Americorps program is thus hardly a personal sacrifice.

Americorps does little to help American families pay for college. Americorps does little to help working families pay for college and does not accomplish its stated goal of "expanding educational opportunity." Despite a 1993-94 price tag of \$155.5 million, about one-tenth of one percent of the 16 million students enrolled in post-secondary education participated in Americorps. Even if Congress expands the program to 150,000 participants by 1997 as the Clinton Administration has requested, less than one percent of students will be able to participate. In contrast, the federal government currently helps 3.9 million students pay their education expenses through the Guaranteed Student Loan Program and provides Pell Grants of up to \$2,300 to 2,582,911 students. Combined government grant and loan programs cost the American taxpayer \$25,086,000,000 in 1993, or \$4,181 per student. These programs served 6,020,000 students. The Americorps program costs the taxpayer \$30,400 per student participant per year (including administrative costs), or a total of \$60,800 for two years of "service." But only a small portion of this money—\$4,750 for each year of participation—will actually go to meeting educational expenses.

Recognizing the small number of students who would benefit from this expensive government program, colleges and university officials are quick to call the Americorps a "work program", not student aid. Jim Appleberry, president of the American Association of State Colleges and Universities (AASCU) said that it is a "mistake and error" to construe the Americorps as a move to increase access to college education. Rather, he argues, the Americorps proposal is "to encourage people to take care of one another."²

Finally, the Americorps program is not means-tested. Thus, the children of wealthy and influential people can elbow out poor students for participation in the program. As Senator Robert Byrd (D-West Virginia) noted on the Senate floor, instead of sending one Americorps participant (who may or may not need financial assistance) to college, five needy students could qualify for Pell Grants.

At least half of the money spent on Americorps ends up funding bureaucracies and paperwork. In 1993-1994 Americorps employed about 20,000 "volunteers" who the Clinton administration promised would be working as teachers, doctors, and police officers to help improve communities. The reality, however, is that the majority of these highly paid "volunteers" work in federal or state bureaucracies, government-funded programs, or even political action organizations. For example, more than 2,800 Americorps participants work in federal departments or agencies, including 1,200 in the U.S. Department of Agriculture, 525 in the Interior Department, 210 in the U.S. Department of Justice, 135 at the Environmental Protection Agency, and 60 at the National Endowment of the Arts. Americorps also awarded ACORN (Association of Community Organizations for Reform Now), a radical left-wing group that advocates change by "grabbing hold of the reins of political power," 42 volunteers at the cost of \$1,143,411. Similarly, the federally funded Legal Services Corporation, the chief litigator for the welfare state (which for example, represents drug dealers

¹ Mark Pitsch, "Clinton Launches Sales Campaign for Service Plan," Education Week, Volume 12, No. 24, March 10, 1993, p. 1.

² "National Service is Not Student Aid, Higher Ed Coalition Says," Education Daily, April 21, 1993, p. 4.

when they are threatened with eviction from public housing), was awarded 44 Americorps volunteers, costing the U.S. taxpayer \$959,900 plus an additional \$1,242,784 in "matching funds". In San Francisco, the Americorps "Summer of Safety" program organized 40 groups to rally against the federal crime bill's "three strikes and you're out" provision.

More than half of the Americorps appropriation is spent on administrative costs and paperwork. At least \$15,000 per Americorps participant goes for overhead and administration. For instance, an Omaha World-Herald editorial reported that Nebraska had received a grant of \$457,622 to recruit just 23 Americorps members (\$19,987 in bureaucratic overhead per recruit). Some projects are even more expensive. According to a NBC Nightly News report by Lisa Myers, an environmental project in Alaska costs taxpayers \$42,000 annually per volunteer. Similarly, educators at Northwestern University, for example, were given \$140,000 by Americorps to develop "a plan to compete for more Americorps money next year," without funding a single "volunteer". Americorps also gave bureaucrats a \$100,000 planning grant to study a volunteer corps in the Virgin Islands and gave the Council of Great City Schools, which is devoted to the "advancement of education in inner-city public schools through public and legislative advocacy," a \$200,000 planning grant. Again, none of this money went to help students pay for college.

Americorps does not promote volunteerism. The generosity of the benefits of the new federal Americorps program also sends a mixed message about volunteering. Taxpayers do not need yet another program to do what millions of Americans are already doing. Private sector community service is thriving. At least 94 million Americans currently participate in volunteer service activities. A 1990 Gallup poll found that 54 percent of Americans participated in volunteer activity of one sort or another.³ There are already numerous state- and city-level volunteer programs that idealistic young people may join. Surveys by the Gallup Poll and Independent Sector show that in 1991, 94.2 million Americans age 18 and over volunteered in some capacity, with an average of 4.2 hours a week. These Americans were not moved not by the lure of a lucrative government job, but by a spirit of true volunteerism and genuine service.

The Labor Department estimates that there are currently three million unpaid volunteers between the ages of 18 and 25, most of whom work for religious organizations, the backbone of community activism. Campus-based volunteer student groups are already expanding. More schools are also encouraging students to volunteer by expanding their regular curriculum to include service jobs.⁴ The Federal Commission on National and Community Service is calling on schools and colleges to encourage more students to perform volunteer work.⁵ And almost every college and University in America already gives students opportunities to earn school credit for participating in community service activities. For example, Rutgers University, the site chosen by Mr. Clinton to announce the Americorps program, already integrates community service into the undergraduate curriculum, the Civic Education and Community Service Program. The coursework includes a combination of traditional academic disciplines related to volunteer services performed in the communities that are home to Rutgers campuses.⁶

Similarly Loyola University in Chicago features programs designed to inspire students to help improve Chicago's urban blight. The university sponsors partnerships with area schools and a community policing project for criminal justice and sociology students. Other academic programs attract students to service-oriented careers, such as social work and nursing.

Even Sidwell Friends School, the private school Chelsea Clinton, the President's daughter, attends at a cost of \$10,885, requires community service. At Sidwell, there are campus student work programs and voluntary service projects on and off campus for all grades, mandatory service projects for ninth-graders, and 30 hours of off-campus community service required for graduation, according to a Sidwell brochure.

CONCLUSION

Despite a 1.7 million public relations budget, the laudable goals of Americorps do not match its reality. If the goal is to expand educational opportunity, the Americorps budget would be better spent on direct aid to students. If the goal is

³J. Peder Zane, "As Social Need Rises, So Does Volunteerism," New York Times, Jan. 6, 1992, p. A1.

⁴Mary Jordan, "Hot Course on Campus: Volunteerism 101," Washington Post, Mar. 2, 1992, p. A1.

⁵What You Can Do For Your Country," Commission on National and Community Service, tk.

⁶Jim Zook, "Clinton Foresees Enlisting 100,000 Youths in His National Service Program by 1997," The Chronicle of Higher Education, March 10, 1993, p. A27.

to stimulate service, Congress should amend the tax code to allow for tax credits or increased deductions for those who donate their time and money. Congress should reduce federal spending rather than creating a new entitlement program and adding to the already huge national debt. Congress should repeal AmeriCorps, a program that awards taxpayers' dollars to special interest, ideological, and political organizations, and to bloated bureaucracies and falls far short of its intended goals. For federal taxpayers, national service is an expensive venture with few, if any, net gains.

Mr. SHAYS. Thank you, Miss Tucker. Evidently, you don't like this program; it's really clear. And we'll have a very good dialog about that, and we'll see where we agree and disagree. Jill Lacey, we welcome your testimony. You're going to need to really pull that microphone up, and also lower it, if you would.

Ms. LACEY. Right about there?

Mr. SHAYS. Thank you.

Ms. LACEY. Thank you.

STATEMENT OF JILL K. LACEY, RESEARCH ASSOCIATE, CAPITAL RESEARCH CENTER

Ms. LACEY. Mr. Chairman, and members of the subcommittee, my name is Jill Lacey, and I'm a research associate at Capital Research Center, a nonprofit in Washington, DC, that studies philanthropy in the nonprofit sector. I'm honored to be asked to share some of my personal observations that were drawn from my visits to AmeriCorps projects.

Today I'd like to tell you about the AmeriCorps national demonstration project I visited last year, called the Georgia Peach Corps. The program was operated in two rural counties in Eastern Georgia, funded with a \$2.8 million grant from the Corporation for National and Community Service. I was initially impressed with the program. Peach Corps participants seemed to be working hard and working as a team.

But as I spent more time with the Corps, I began to have more and more doubts about its purpose and effectiveness. To begin with, these workers were not volunteers, attracted by the urge to serve. They were employees, paid a wage of \$4.25 an hour, and looking forward to the \$5,000 tuition grant that they would receive after their 9-month stint.

In addition to their salaries and tuition, the program had massive overhead costs for supervisory personnel, travel and training. These costs, along with a high dropout rate—the Peach Corps began with 140 members, but graduated only 80—combined to drive the real cost per graduate to over \$35,000 per year. For this expense, the country benefited from youngsters who worked 6 hours a day, 4 days a week, for 9 months.

The rest of the time in the program was spent in transit or training. While the public works projects that the Peach Corps completed were of good quality, there was a catch. I was told that, by law, they cannot compete with private industry for contracts, and their efforts cannot displace any government workers. This virtually assures that the projects they're assigned will be of marginal value to the community, and cannot rightly be considered cost savings.

A case in point—the Corps replaced a roof on a Federal job training facility in Thompson, GA. The roof was well-done, easily pass-

ing for the work of professionals, but the facility is little used, much to the frustration of the instructors there. While I was there, only one student, flanked by two instructors, worked on one of the four brand new computer systems. He was playing Wheel of Fortune.

I noticed that 12 brand new dictionaries lay untouched in the corner, with their spines unbroken. The effort to assemble a Corps that, in the words of President Clinton, "looks like America" has also been a struggle. According to the program director, Ken Cook, young white men were not so keen on the idea of working for the Government. He said, "White males are generally able to go on to college, or saw this as a Federal giveaway program, and not so cool."

The Peach Corps, therefore, made a concerted effort to divert potential recruits from their college track, in order to fulfill their own affirmative action goals.

Mr. SHAYS. I'm going to request you say Peach, instead of Peace. I get very sensitive when you say the Peace Corps. I'm teasing. Yes. Peach Corps. Every time I read it—I'm sorry.

Ms. LACEY. Right. And as an aside, I'd also mention that I did meet some volunteers down there who specifically told me, when I asked them what they'd be doing if they weren't with the Peach Corps, that they had opted for the Peach Corps, over the military, because of the educational benefit that they would receive. And for all the talk of civic awareness, it's hard to argue that the Peach Corps is an integrated part of the community.

Only \$5,000 of its hefty \$2.8 million budget came from local businesses in the Thompson area. Beyond a few public works projects scattered throughout the county, the Peach Corps will not leave much of a legacy. I was told that funding would not be assumed by local entities once the Federal money ran out.

Were there any positive, measurable results for the Peach Corps members themselves? Project director Ken Cook told me that, "out of the 80 kids, we probably have 20 percent going on to do something that they more than likely wouldn't have." One kid is going on to an apprenticeship program; several are going to vo-tech school; some are going into nursing. I think the taxpayers are right to question whether getting 16 youngsters to do something that they "more than likely wouldn't have," is a fair return on their \$2.8 million investment.

Did Peach Corps involvement develop their work ethic or a commitment to volunteering? The unglamorous truth is that this community was already strong without the Peach Corps. Thompson played host to this national demonstration project because the community is a model one—a five-star community, according to a State panel—which offers its citizens good schools, low taxes, a low crime rate, and a high standard of living.

The work was high quality because the participants already have skills and a good work ethic. In Thompson, many families are still intact, and the influence of the church lingers. They haven't waited for the Government to teach them to volunteer—50 percent of the citizens already do so in some fashion. In fact, many of the Peach Corps participants voiced surprise and disappointment to me that,

in addition to their paid work, more genuine, unpaid service was not expected of them.

We often hear that AmeriCorps is making a difference. But the phrase is an empty one. Everything we do makes a difference. Even spending money foolishly will make a difference to future generations. The question is, what kind of difference; who is really served; and were there any positive, measurable results? It's clear to me that the emphasis of AmeriCorps are the so-called volunteers, not the populations they purportedly serve.

Continual pulse-taking, in the form of rap sessions, journaling exercises and self-evaluation, sends this message loud and clear. Self-esteem, not self-sacrifice, is the order of the day. And what were the measurable results? In Georgia, for a price tag of \$2.8 million, 16 kids will go on to do something that they more than likely wouldn't have. The cost that I most fear, however, is the cost of teaching young people to expect something in return for their good deeds.

de Tocqueville wrote, 150 years ago, that "where in France you would find the government, or in England, some territorial magnate, in the United States, you are sure to find an association." He said, "I have often admired the extreme skill they—Americans—show in proposing a common object for the exertions of very many, and inducing them, voluntarily, to pursue this."

AmeriCorps talks about reinvigorating a spirit of service, but the truth is, Americans already have one. Over half of all Americans, and 61 percent of teens, volunteer time each week in the quiet service of others. The benefits that volunteers cite as important to them are not the free child care or the boost in self-esteem, but that they learn to respect others and learn to be helpful and kind. And the strongest incentive for them to volunteer was simply that they were asked.

Mr. SHAYS. I thank you very much for your testimony. Mr. Walters, I welcome your testimony now. Thank you, sir.

STATEMENT OF JOHN P. WALTERS, PRESIDENT, THE NEW CITIZENSHIP PROJECT

Mr. WALTERS. Yes, thank you, Mr. Chairman. It's a pleasure to be with you again. I've, of course, testified before you in the past, in my previous positions in government, and know you to be a committed person to the things you believe in. That's been clear again this morning, and I regret that I am not going to agree with those positions on AmeriCorps.

Let me state the reasons. My organization is a nonpartisan, non-profit organization, created about a year ago for the purpose of trying to advance domestic policy reform, designed to return greater authority to communities and citizens themselves. We were founded at a time when we thought there was a remarkable consensus between liberals and conservatives, Democrats and Republicans, about the need to restore America's fundamental institutions.

The disagreement was over how to do that—whether the Federal Government essentially should be an enabler and empowerer of local rehabilitation and renovation; or whether the Federal Government and large bureaucracies associated with it—and sometimes

not associated with it—ought to be reduced and the resources they consume, returned to communities and citizens.

We thought that was an important issue. We had a particular view; we favored the latter position, and have sought to try to enter and make arguments to advance reform in that direction. AmeriCorps was presented at this time as an example. In fact, it was used by the administration and some of its backers as the example of what the Federal Government could do that's right in the direction of reform, in empowering communities and working in local areas.

We then began a process of writing and research on AmeriCorps to meet that argument on the ground in which it was being most discussed; that is, the direction of reform, using AmeriCorps as an example. It's not the only work we've done, but it has been one of the areas, as I think I can say from this morning's testimony, that has gotten some notice. I've heard some of our arguments responded to, and I suspect we'll have a discussion about some of them.

Let me also begin by saying I don't think any of us doubts that there should be people serving their communities and serving America. And all of us salute people who do that every day, no matter where they do it. And I also think that we salute the young people in AmeriCorps and the people who run AmeriCorps, who are trying to serve the country.

The issue is not our running down honest people who are doing serious work. The issue is whether or not this program, in my mind, is well conceived; is a cost-effective use of taxpayer money; and whether or not it should be continued in the current environment of reform and the current environment of the Federal budget and financing. I believe AmeriCorps is, first of all, not necessary.

For reasons that some of my colleagues have referred to, I think it is clear that volunteerism is booming in America, despite the fact that some people believe—and there is considerable evidence here—that Federal social welfare programs have crowded out traditional charitable efforts and institutions that were designed to help the poor, in particular, but also young people.

According to the Independent Sector, a philanthropic monitor organization, in 1993, 89.2 million Americans offered unpaid voluntary service. Though this marks a slight decline from 1981 in the number of people, when 93.1 million volunteered, the number of hours has increased by more than 50 percent over that period, from 12.7 billion to 19.5 billion hours. In short, my argument here is, it ain't broke and it doesn't need this fix.

In addition, if it was broke, 23,000, 33,000 or even 50,000 AmeriCorps volunteers would not make a significant difference, if there was a fundamental problem. You might want to look at other solutions, whether they're local or national, to increase volunteerism. But this would not even be a drop in the bucket, given the magnitude of the effort nationally.

As some of my colleagues have referred to, there are over an estimated 3 million Americans between the ages of 18 and 25—which was given as the principal cohort for AmeriCorps earlier on—who already serve as unpaid service providers in their communities, as volunteers are usually described. Many organizations have already

expanded night and weekend opportunities for community volunteers to better engage energies of working people and students; and have done so successfully.

The second argument that we have made, and I would make here today, is that paid volunteerism will have a corrupting effect on genuine charity. AmeriCorps' effort to bolster successful private activity, that is, voluntary community service, with an infusion of tax dollars, will further encourage community organizations to become dependent on the Federal Government. Charitable organizations already receive one-fourth of their funding from government sources. In some cases, as a result, local control often takes a back seat to government grantmaking.

Let me just say that this corruption is in two directions. Some of it's been referred to—and you asked questions about it in an earlier panel—of whether or not there is somewhat of an unhelpful dynamic created when people who don't get paid work side by side with AmeriCorps volunteers. And my colleague who testified before me, raised the issue of what people expect and how they understand service, as a result of this experience.

I'd also say there's another dynamic, and in this regard I would say some of the documents provided by Mr. Segal cut two ways. And that is, they raise the question of whether or not actual private charitable organizations have now become active lobbyists for the continuation of Federal money for this program. And I think those letters suggest some of them have.

The corporations that have supported AmeriCorps have no doubt done that for noble reasons. But if the corporations directly supported the private philanthropic energies of the other signers of some of these letters, you would have no need for the Federal Government to serve as an intermediary here. It's already been referred—the position of AmeriCorps personnel, members, volunteers in Federal agencies has already been referred to by you and by others. I have it detailed in my written testimony.

I'd like to also enter into the record another list, which, using AmeriCorps State by State data, we have compiled, showing the number of State agencies and State grants that have been provided to State government or State government-funded agencies. This means that, in addition to the 2,800 of AmeriCorps' 20,000 members of this year that are now affiliated—and I'm not sure if I understand, even after your questioning, how they're affiliated with Federal Government agencies—there are an additional nearly 3,000 that are members assigned to State governments or State-funded agencies.

[The information referred to follows:]

AMERICORPS IN THE FEDERAL AND STATE BUREAUCRACIES

Of the 20,000 AmeriCorps "volunteers" in the field today, well over a fourth—5,731—are working in the federal or state bureaucracies or for programs largely funded by the federal government and/or the states.

FEDERAL AGENCIES

* 2,797 have been assigned to the federal agencies

EPA (135)

NEA (60)

Dept. of Agriculture (1,200)

Dept. of Energy (72)
 HHS (220)
 HUD (100)
 Dept. of Justice (210)
 Dept. of Labor (56)
 Dept. of Interior (525)
 Dept. of Navy (133)
 Dept. of Transportation (60)
 Dept. of Veterans Affairs (26)

STATE/LOCAL AGENCIES

* 2,934 "volunteers" are working for state agencies or groups like the various state and local Conservation Corps that are largely/exclusively funded by state and federal money

* In Washington state alone, 450 of the 522 AmeriCorps members are working for state/state-funded agencies

AL Troy State Univ. (40)
 Jackson State Univ.
 AZ AZ Conservation Corps (52)
 City of Mesa (20)
 CA Imperial Co. Office of Education
 CA Conservation Corps (43)
 Hayfork, " " (85)
 Sacramento, " " (157)
 East Bay Conservation Corps (140)
 LA Unified School District (80)
 CO Office of Rural Job Training (16)
 Sheridan School District #26 (22)
 CT City of Hartford
 DE Dover Housing Authority (20)
 FL City of Brooksville (14)
 Broward Co. Sheriffs Office (30)
 Escambia-Pensacola Human Relations Commission (15)
 Lake Co. Board of Commissioners (16)
 GA City of Albany (20)
 City of Douglas (20)
 ID ID Dept. of Parks & Recreation (10)
 Lewis-Clark State College (26)
 IL City of Decatur (20)
 IL Dept of Public Aid (20)
 IL Dept of Energy & Natural Resources (30)
 IN City of Elkhart (20)
 State Student Assistance Commission (22)
 IA IA State Univ. Extension (82)
 KS Fort Hays State Univ. (?)
 KS State Univ. (120)
 Wichita State Univ. (20)
 KY Simpson Co. Board of Education (20)
 Jefferson Co. Public Schools (22)
 Morehead State Univ. (18)
 LA City of Lake Charles
 ME Workforce Development Centers (20)
 MD MD Conservation Corps (154)
 Bowie State Univ. (35)
 Frostburg State Univ. (25)
 Montgomery Co. Police (30)
 MA North Shore Employment Training (21)
 Berkshire Employment Program (11)
 MI MI State Univ. (40)
 MN City of St. Paul (76)
 MS North MS Regional Center (20)

MO	SE MO State Univ. (37)
MT	MT Conservation Corps (110)
NJ	NJ Dept of Military and Veteran's Affairs NJ Youth Corps (104)
NY	State Council on Children and Families (25) State Urban Development Corp (20) Clinton Co. Youth Bureau (20)
NC	NC State Univ. (60) City of Wilmington
OH	Cuyahoga Co. Board of Mental Retardation OH Dept of Youth Services (20)
OR	Housing and Com. Services Dept. (42)
PA	PA Conservation Corps (36) Keystone School District (28) Union-Snyder Human Resources (38)
RI	City of Pawtucket (26)
TN	Knox Co. Community Action Cmte (20) Memphis City Schools (40) Center for Health Services (20)
SC	Office of Gov., Division on Aging (20) SC Dept. of Mental Health (36)
TX	TX Dept. of Mental Health (108)
VT	Lyndon State College (23)
WA	WA State Employment Security Dept. (300) Dept of Ecology/WA Con. Corps (100) Pasco School District #1 (20) Educational Service District 101 (30)

Mr. WALTERS. Fourth, I would argue—and we have in public here and elsewhere—that, like all government bureaucracies, AmeriCorps costs too much. There's already been a large discussion of the cost issue and how one calculates that. I suspect we're going to have some more questions about how one calculates some of these numbers. But let me just say two things about that. Let me take one example. The Omaha World Herald example, which one of my colleagues also referred to, and which has been a subject of some discussion between myself and some of the AmeriCorps staff.

The Omaha World Herald, in that editorial, reported that Nebraska received a grant for \$457—

Mr. SHAYS. Before you continue, I just want to be clear. Is this something that you're aware of personally? See, we can't ask Omaha, the editorial board, to come before us. In Miss Lacey's case, she went to a program. So I just want to make sure that you're going to be comfortable defending what you say, as you believe it to be fact. Editorial boards are not fact. They are very subjective.

Mr. WALTERS. No, I understand that.

Mr. SHAYS. OK.

Mr. WALTERS. I don't think I'm going to say what you think I'm going to say.

Mr. SHAYS. Well, I don't know what you're going to say.

Mr. WALTERS. They reported that the State commission in Nebraska had received \$457,622 to "recruit 23 young people to the Corps." Now, that could be read two ways. One—and the way it was read and subsequently followed up on—was that this was simply in recruiting costs. It's not. The other way to read it was, they

got a program and they were supposed to get 23 people to work in that program. Now, and objection was made that—

Mr. SHAYS. The other thing is, it could simply be untrue.

Mr. WALTERS. Well, I'll get to that.

Mr. SHAYS. No, but that's important. It's important. If you think it's true, and you have facts that make it true, please testify under oath that it is. But don't have someone else present evidence that may or may not be true.

Mr. WALTERS. OK. I have seen, personally, documentation and the agreement between the State of Nebraska and AmeriCorps for this program. That states that, among other things, the State of Nebraska received \$318,622 for the 23 participants in the project. I'll be happy to provide this document. I don't have it with me at the moment, but I'll have to—and I probably should provide it for the record, under the circumstances.

[The information referred to follows:]

CORPORATION FOR NATIONAL SERVICE AND NEBRASKA STATE COMMISSION

COOPERATIVE AGREEMENT NO. 94ASCNE028

Effective August 1, 1994 to December 31, 1995

Authority: This agreement is entered into pursuant to the authority of the National and Community Service Act of 1990 as amended (42 U.S.C. 12501 et seq.).

Total Competitive Funding: \$0

Total Formula Funding: \$318,622

TOTAL CORPORATION FUNDING: \$318,622

Purpose: This agreement provides support for the conduct of an AmeriCorps® program with the principal goals of "getting things done"™ in communities, strengthening the ties that bind communities together, and developing the citizenship and skills of participants.

This agreement consists of these two pages and the attached Cooperative Agreement Terms, the AmeriCorps*USA—Direct and State Grant Provisions the Budget Forms.

IN WITNESS WHEREOF, the parties have executed Cooperative Agreement No. 94ASCNE028.

ACCEPTED AND AGREED TO BY: Michael Kenefick, Director of Grants and Contracts, on 9/29/94, for CORPORATION FOR NATIONAL and COMMUNITY SERVICE, 1100 Vermont Ave., NW, Washington, DC 20525; and Fayette Carpenter, Interim Executive Director, on 9/29/94, for NEBRASKA STATE COMMISSION, State Capitol, 6th Floor, West Side, Centennial Mall, Lincoln, NE 68509.

COOPERATIVE AGREEMENT TERMS

I. PROGRAM DESCRIPTION

The Nebraska State Commission, which for purposes of this document includes Alternative Administrative Entities and Transitional Entities, in cooperation with the Corporation for National Service (the Corporation), hereby agrees to implement and oversee the below selected AmeriCorps programs.

This program shall be conducted in accord with the Commission's original proposal submissions and revisions and in accord with the attached program budgets.

II. PROGRAMS AND FUNDING

The following specific AmeriCorps programs are being funded under this agreement for the number of participants and Corporation funding specified:

Competitive sub #	Applicant	No. of participants	Service start date	Project director	Total corp. funding	Less child care	Available program funds
Formula Sub #							
F-1	Community Action of Nebraska.	23 FT	Jan. 1, 1995 ...	Lorrie Benson	\$318,622	\$36,000	\$282,622
Subtotal					318,622	36,000	282,622
Total					318,622	36,000	282,622

In conjunction with the grant number, the subaccount number should be used to identify the specific program in the state with official documents and correspondence.

The identified Project Directors will not be replaced without specific Corporation approval. If any Project Directors have not been yet selected, then their names and resumes will be submitted to the Corporation for concurrence.

III. TOTAL CORPORATION FUNDING AND PARTICIPANT EDUCATIONAL AWARDS

Total Corporation Funds in the amount of \$318,622 (Total of lines A-G of the attached program budgets) are provided to support this state's programs.

Excluding child care funds of \$36,000, available funds in the amount of \$282,622 are obligated to the Commission for direct program expenditures. These funds support the operation of your AmeriCorps programs as stated in each of the approved applications.

In addition, the following total number of educational awards are provided for the AmeriCorps participants:

FULL-TIME PARTICIPANT EDUCATIONAL AWARDS: 23 FT (\$4,725 ea.)

PART-TIME PARTICIPANT EDUCATIONAL AWARDS: 0 PT (\$2,363 ea.)

TOTAL FULL-TIME EQUIVALENTS: 23 FTE

IV. PROGRAM LIAISONS

The following are the liaisons responsible for the administration of this agreement.

Stacy J. Rosen, Grants Officer, The Corporation for National Service; Peter Heinaru, Senior Program Officer, The Corporation for National Service; Fayette Carpenter 402-471-6227, State Commission, Interim Executive Director; and Lorrie Benson 402-471-3714, State Commission, Commission Member.

V. COMMISSION RESPONSIBILITIES

A. General

1. The Commission receiving this award agrees to be responsible for all aspects of its programs including the management, oversight, operation and evaluation of the specified AmeriCorps programs. The Commission will work closely with the Corporation in implementing its AmeriCorps programs.

2. The Commission will implement its AmeriCorps programs in accord with the National and Community Service Act (42 U.S.C. 12501, et seq.), the Corporations regulations (45 CFR 2510, 2513, et al.), the AmeriCorps State application and the terms of this agreement. The Commission will not impose additional requirements on its grantees without prior approval of the Corporation. This does not preclude the Commission from gathering financial or other data, in accordance with their needs or implementing other Commission procedures as long as such processes do not preempt Corporation requirements.

B. Specific

1. The Commission will issue any grants under this agreement in accord with the terms of this agreement and will administer these awards through the completion of each of the AmeriCorps programs.

2. The Commission will request funds and transfers of such, through the Department of Health and Human Services' SMARTLINK system. The Commission hereby agrees only to request and transfer advance funds for their immediate cash needs. In accord with OMB Circular A-110, the Commission shall provide advances to non-profit organizations conducting AmeriCorps programs if their financial management systems meet the standards for fund control and accountability.

VI. CORPORATION RESPONSIBILITIES

A. General

1. The Corporation will work closely with the Commission to help assure the quality of the AmeriCorps programs and to reasonably accommodate the needs of the Commission and the AmeriCorps programs for assistance.

2. The Corporation will provide access to technical assistance to the AmeriCorps programs as agreed upon. Such assistance needs and provisions will be coordinated with the Commission.

3. The Corporation will coordinate with the Commission, visits to AmeriCorps sites, and assessments and evaluations of specific programs. Any problems or issues with specific programs or national AmeriCorps activities will be coordinated by the Corporation with the Commission and the AmeriCorps programs. Any corrective actions or changes necessary for an operating program will be implemented through the Commission.

4. The Corporation will provide timely review and responses to requests for approval or issues that necessitate Corporation involvement.

VII. JOINT CORPORATION—COMMISSION ACTIVITIES

Within reason, the Corporation requires the Commission and its grantees to participate with the Corporation and other funded programs in initiation or launch ceremonies, meetings, other joint activities, etc. The purpose of these meetings may be to build National Identity, promote AmeriCorps objectives or participate in mutually beneficial activities.

VIII. SPECIFIC REQUIREMENTS

A. Transfer of funds and change in number of participants

The Commission may not transfer available program funds or number of participants and corresponding educational awards from one program to another without the specific advance approval of the Corporation.

B. Child care

The funds obligated for child care as part of the total Corporation funding are not available for expenditure directly by the Commission or its grantees unless an exception is specifically authorized in this Cooperative Agreement. Child Care payments will be made directly to the child care provider for identified eligible participants. AmeriCorps programs will determine eligibility and notify the National Association of Child Care Resource and Referral Agencies (NACCRRA). In addition to making direct payments to qualified child care providers, NACCRRA is providing direct assistance to programs and participants, when needed, in determining specific child care needs, and counseling eligible participants on child care services and available options.

C. Matching funds

1. The Commission and its grantees are responsible for meeting the matching amounts in the approved and attached budgets. The Corporation's statute requires, at a minimum, the following matches:

Percentage of Base Costs

25%—Program Operating Costs (budget line items A–E)

15%—Other Participant Support Costs (budget line item F)

2. AmeriCorps programs that have not submitted a definitive plan to secure the cash and in-kind match required in C(1) above must submit a definitive plan to the Corporation along with their first Quarterly Report which is due by January 10, 1995.

D. Annual objectives

The grantees of the Commission, with the assistance of the Corporation Program Officer and the Commission, will develop or refine direct and demonstrable objectives acceptable to the Corporation by October 31, 1994. Success at achieving objectives will be an integral part of a year-end assessment.

E. Health care coverage

If the grantees of the Commission are providing health care coverage through an existing policy, these grantees shall submit a summary of its coverage and costs to the appropriate Corporation Grants Officer. The existing policy should demonstrate compliance with the minimum requirements specified in the AmeriCorps application. If grantees had health care coverage through the National Association of Serv-

ice Conservation Corps (NASCC) at the time of application for an AmeriCorps grant, they need only notify the Corporation of this coverage.

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Please attach the Budget Narrative to this page. Instructions for this form are on page 25.

Applicant Name: Community Action of Nebraska
 Program Name: Statewide Youth Violence Prevention

☐ State ☒ Program

	Corporation Share (CNCS) Funds Requested from the Corporation	Grantee Share Other Federal/State/ Local/Private Funds	Total Total Program Funding
A. PARTICIPANT SUPPORT COSTS			
Training and Education	10,000	0	10,000
Uniforms			
Travel/Hotel/Per Diem/Other	3,500	0	3,500
Subtotal	13,500	0	13,500
B. STAFF			
Salaries	27,000	13,500	40,500
Benefits	4,590	1,080	5,670
Training	1,800	1,000	2,800
Other			
Subtotal	33,390	15,580	48,970
C. OPERATIONAL			
Travel	11,440	4,000	15,440
Transportation	5,725	9,471	15,196
Supplies	4,210	500	4,710
Equipment	0	0	0
(please specify in Budget Narrative) Other	422	1,222	1,644
Subtotal	21,797	15,193	36,990
D. INTERNAL EVALUATION MONITORING	9,500	0	9,500
E. ADMINISTRATION	14,131	0	14,131
	(may not exceed 5% of Corporation funds, A-F)		
(in dollars amount) Total A-E	92,318	30,773	123,091
Percentages	75 %	25 %	100%
(Corporation maximum 75% - Corporation minimum 25% - 100%)			

BUDGET FORM AMERICORPS STATE APPLICATION

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F. OTHER PARTICIPANT SUPPORT COSTS	Number of Participants	Corporation Share (maximum 85%)	Grantee Share (minimum 15%)	Total 100%
Living Allowance	23	169,753	26,427	176,180
FICA and Workers' Compensation Health Care*	23	12,148	2,146	14,292
Alternative Health Care**	23	23,460	4,140	27,600
(\$1,800 per eligible participant) Unemployment	23	4,943	872	5,815
Total (F)		190,304	33,583	223,887
Total (A-F)		282,622	64,356	346,978

G. CHILD CARE	Estimated Number of Children	Estimated Number of Eligible Participants	Corporation Share (maximum 100%)	Grantee Share	Total
	18	10	36,000	0	36,000
TOTAL (A-G)			318,622	64,356	382,978

BUDGET FORM AMERICORPS STATE APPLICATION

STATE FUNDING

H. EDUCATION AWARDS	Number of Participants	Amount per Participant	Total
Full-Time Participants	23	x \$4725	108,675
Part-Time Participants		\$2363	
Total (H)	23	4,725	108,675

*grantee is utilizing current policy meeting minimum benefits for eligible participants
 **grantee is utilizing alternative health care policy to be made available.

EDUCATION AWARD

Mr. SHAYS. What is the amount again?

Mr. WALTERS. \$318,622. And it also received a \$139,811 grant for administering the AmeriCorps program in fiscal year 1994.

Mr. SHAYS. OK. You are presenting, under oath, that this is what is happening.

Mr. WALTERS. That seems to be the basis for the \$457,622 referred to in the Omaha World Herald editorial.

Mr. SHAYS. Oh, no. I don't want to know what you think. I want to know what your testimony is.

Mr. WALTERS. No, all right.

Mr. SHAYS. No, please. I want to be very fair to you, but I don't want—editorial writers are going to write what they want to write. I can't invite the editorial writer to come before us. You are the strongest critic. You must have evidence on your own, and, under oath, tell us what your evidence is, and then we'll pursue it and we'll admit the facts.

Mr. WALTERS. All right. My evidence is that the State of Nebraska received the two grants in the amounts I just summarized.

Mr. SHAYS. \$318,00 and \$319,000.

Mr. WALTERS. Two grants. The first grant I described is \$318,622. The second administration grant is \$139,811. In addition, the State of Nebraska provided \$64,356 to support the project, and AmeriCorps will provide another \$108,657 for educational awards to participants in the program. This means that, for the 23 recruits, divided into the totals—both the Federal Government totals and the moneys committed in this contract for the State—each volunteer would cost \$27,455.

Now, I understand that this program provides different costs, different matching ratios for different members. And I understand that in some cases, what you're going to find is that the totals are different. For example, from previous documents we got in connection with the information for AmeriCorps, as my testimony states, the annual stipend has been calculated in different ways. In written testimony, you'll see the annual stipend listed as \$7,400.

Mr. SHAYS. Over a 2-year period.

Mr. WALTERS. That's the annual stipend, that's not the educational benefit. That has been revised, in subsequent material from AmeriCorps—and I have no doubt that some of this is a matter of getting more detailed information over time, and I don't question that anyone is trying to mislead anybody—to \$7,225. In the associated materials that Mr. Segal, I see, put in the record, in response to some questions about this issue of funding, he used—you began by talking about using fiscal year 1994 and fiscal year 1995 moneys appropriately against the various years and numbers of volunteers estimated.

His estimate of the portion of funds suggests, on page—I guess it's the first attachment of his letter back to you with the questions—that the 1995 annual stipend would be \$6,200. Now again, I suspect that the GAO report that—

Mr. SHAYS. I'm confused by that number. Suggests or says?

Mr. WALTERS. Says. I'm sorry, I didn't mean to imply that there was any—I suspect that the best accounting that's going to be provided here will be—

Mr. SHAYS. Just so we have it on the record, the document you're referring to from Mr. Segal is what?

Mr. WALTERS. This was on the table when I came in. It's covered by an April 25, 1995, letter to Mr. Segal by you.

Mr. SHAYS. Is this in response to the questions that I asked—the letter that I wrote?

Mr. WALTERS. The cover letter gives a list of questions; that's signed by you, as chairman of this committee.

Mr. SHAYS. We wrote Mr. Segal some questions. So what page are you referring to?

Mr. WALTERS. I'm referring to his return letter, dated May 4. It's the attachment; it's right after his cover letter. There's a breakdown in the middle of that page.

Mr. SHAYS. Yes, I see. OK.

Mr. WALTERS. I think this is in some ways important and in some ways, a secondary issue. I think it's important because—

Mr. SHAYS. It's just—it's—OK, why do you think it's important, I'm sorry.

Mr. WALTERS. I think we need a true cost accounting of the members. Some of this is going to be confusion that's based on, I think, no bad faith at all, in terms of what is counted as the base. But obviously, the true cost per member ought to include, in my judgment, the Federal Government contribution; the matching contribution; the overhead figured in some reasonable way; as well as if there are multiple cost sharing contributions by an agency and by the private sector.

So you can get a sense of what resources each volunteer is consuming in a given area. Now, you may want to break it down by types of programs. I recognize there's an issue with the Alaska program, and the cost of operations in Alaska, versus other places. But there ought to be reasonable accounting given. And if we aren't producing an average, we ought to talk about how that is calculated.

Mr. SHAYS. I'd like you to finish your testimony, and then we'll get to—

Mr. WALTERS. I say that partly because I think the issue and cost effectiveness is also, to what extent our resources being directed—local resources—into an activity that much more costly than other types of activities that could perform the same kind of work. Second, since it was brought up here, the issue of cashing out benefits in the example of the Texas program that was featured on the NBC Nightly News.

Let me just say two things about that, maybe heading out to shorten some time with the questions. I recognize that there was a folding in of VISTA in the program, and that the individuals highlighted in that program may not have been operating under the same guidelines as the current, or what's usually referred to as the AmeriCorps members. However, the immunizations that were going on in that program, and the way that report was presented, suggest that NBC News showed up at the Lubbock, TX, site, at the suggestion of AmeriCorps in Washington.

And the example of this immunization program has been used by AmeriCorps Washington as one of the examples they're proud of. So if there's a confusion about different members working under

different circumstances to determine whether the educational benefit is being used, or what the costs per volunteer are, I understand that, but that's not solely a problem that's caused by, I think, some of the people looking at the program being either malicious or confused because they were not competent.

[The prepared statement of Mr. Walters follows:]

PREPARED STATEMENT OF JOHN P. WALTERS, PRESIDENT OF THE NEW CITIZENSHIP PROJECT

Amidst the national debate over the proper role of government, a remarkable bipartisan consensus has emerged. Liberals and conservatives stand united in the belief that public policy, first and foremost, should protect and revitalize America's basic institutions—those rooted in the family and community life. Beneath this consensus, however, a stark contrast has appeared.

Conservatives argue that government must be re-limited in order to revitalize civil society. Although liberals acknowledge that big government has become inefficient and even destructive, they believe that it cannot be dismantled. Instead, they claim that government can be expanded or reinvented to serve as an instrument of community and individual empowerment. This argument has been forcefully made in support of the newest extension of big government into the civic sphere, President Clinton's national service program, AmeriCorps. And nowhere are the problems with this top-down approach to revitalizing civil society more apparent. My interest in AmeriCorps, and that of my organization, arose because AmeriCorps was presented as a model for reinvigorating federal activity. We believe this notion of the proper role for the federal government is misguided. We have worked to explain why we think it is misguided and sought to examine what AmeriCorps can teach about the proper direction of government reform.

No one doubts that some AmeriCorps members are doing worthwhile things in local communities. But the brief against AmeriCorps does not rest on the motives of its members. It essentially boils down to this: Can a federal program that pays "volunteers" really reinvigorate local communities and non-governmental institutions?

First, AmeriCorps is simply not necessary. Voluntarism in America is booming—despite the fact that government social welfare programs have crowded out the traditional efforts of charitable institutions to feed the hungry and shelter the homeless. According to Independent Sector, a philanthropic monitoring organization, in 1993, 89.2 million Americans offered unpaid voluntary service. Though this marks a slight decline from 1981 when 93.1 million volunteered, the number of hours volunteered has increased by more than 50%—from 12.7 billion to 19.5 billion hours today.

Real voluntary service in communities is alive and flourishing; indeed, AmeriCorps' 20,000 members hardly comprise a significant element of the voluntary sector. Unpaid volunteers, who comprise more than one-third of the population, serve especially through religious organizations, which have long been the backbone of community service. The Labor Department, moreover, estimates that nearly three million Americans from ages 18 to 25 (the principal age cohort for AmeriCorps) already serve as unpaid volunteers. And many organizations have expanded night and weekend volunteer opportunities to better enlist the energies of working people and students.

Second, paid "voluntarism" will have a corrupting effect on genuine charity. AmeriCorps' effort to bolster a successful private activity—voluntary community service—with an infusion of federal tax dollars will further encourage community organizations to become dependent on the federal government. Charitable organizations already receive one-fourth of their funding from government sources. As a result, local control often takes a backseat to government grant-seeking.

Third, though AmeriCorps was designed to aid community-based voluntarism, over one-quarter of its personnel are assigned to assist in the work of government bureaucracies. Nearly 2,800 of AmeriCorps' first 20,000 members are assigned to federal agencies, including Agriculture (1,200), Interior (525), the Environmental Protection Agency (135) and the National Endowment for the Arts (60). Nearly 3,000 other members are assigned to state government or state-funded agencies.

Fourth, like all government bureaucracies, AmeriCorps costs too much. For 1,700 hours of work, AmeriCorps "volunteers" receive annual stipends of \$7,400, plus up to \$9,450 over two years toward payment of higher education debts. That works out to more than \$7 per hour per "volunteer." And this does not include the program's automatic health and child care benefits, the cost of its Washington-based bureau-

crats, or the \$1.7 million AmeriCorps national ad campaign, which cost twice what the Inspector General recommended.

In this vein, NBC Nightly News' Lisa Myers uncovered numerous questionable grants made by the Corporation for National Service, including an environmental project in Alaska that costs taxpayers \$42,000 annually per member and a \$140,000 seed grant which, rather than funding community service, went to pay officials at Northeastern University to develop "a plan to compete for more AmeriCorps money next year." Similar questionable planning grants include \$100,000 for a "volunteer corps" in the Virgin Islands and \$200,000 to the Council of Great City Schools (CGCS). Like Northeastern U., the CGCS doesn't have a single volunteer; according to AmeriCorps' own literature, the CGCS is devoted to the "advancement of education in inner-city public schools through public and legislative advocacy."

Moreover, even under less controversial grants, there is reason to believe that AmeriCorps is not spending taxpayers' dollars effectively. Though the program's motto is "getting things done," AmeriCorps members spend one-fifth of their time in "training, education, and other non-direct service activities." These activities run the gamut from self-esteem classes to GED training. When not in "training," these "volunteers" provide gang resistance presentations in Mesa, Arizona and condom education to youngsters in Baltimore; offer "non-traditional career opportunities to young women" in Pittsfield, Massachusetts; and "prevent juvenile delinquency and uplift community pride using arts as a medium" in Puerto Rico. I do not believe these are an appropriate expenditure of taxpayer resources, particularly with the current state of federal finances. And AmeriCorps expenditures, as this committee is aware, come in addition to the \$1.3 billion that the federal government doles out each year in twenty-three other service programs.

For all these reasons and more, I applaud the House for rescinding the 55 percent budget increase that had been awarded the Corporation for National and Community Service this year. The 104th Congress realizes that to tame the federal deficit, it can no longer fund programs, which, however well-intentioned, have inherent pernicious effects. But this step is a necessary lesson on the road to reinvigorating citizenship and challenging apathy. Citizens and the institutions that they control should become self-reliant.

Voluntary community service is not the business of government. And overpaid, Washington-created "volunteers" are destructive of genuine charity. Abolishing AmeriCorps, the newest extension of welfare-state liberalism, will be an important step in rolling back big-government liberalism and opening the way to truly reinvigorating citizenship.

Thank you.

Mr. SHAYS. Mr. Walters, I'm going to invite Mr. Fattah to ask you a question. But I just want to illustrate a point. I'm not confused. I'm not confused at all. You use words like suggest and imply and so on. You're the one who has been spewing out all this data. And we are checking it each time. And then we come to realize that you sometimes bring in people who are VISTA volunteers and say they're getting cash, when they are, in fact, VISTA volunteers. There's no confusion.

The law says, if you're a VISTA volunteer, you are able to cash it out. If you are an AmeriCorps volunteer, not part of VISTA, you don't. No confusion at all. The confusion is, you use the data interchangeably and confuse us, or attempt to, and then we have to sort it out. AmeriCorps is not confused; the law is not confused; and we don't want you to confuse us. We're clear on one thing—we're clear that some volunteers who are VISTA volunteers can cash it out. That's the law; maybe we should change it. And the others can't. Mr. Fattah.

Mr. FATTAH. Does that mean that that's concluded and I can go to—

Mr. SHAYS. You can ask any questions of any witness. And we're going to—

Mr. FATTAH. Thank you, Mr. Chairman. I'll just ask one of the panelists a question, and then return it to the gentleman.

Mr. SHAYS. And we can even turn off the clock.

Mr. FATTAH. Miss Tucker, you started out your written testimony saying that among all of the things that we should cut, this should be the first, or one of the first. This is one of the worst things that the government is involved in. And you say, firstly, that we already have a number of programs that help kids go to college.

Ms. TUCKER. Right.

Mr. FATTAH. Do you support those programs—the Pell Grant programs and the student loan subsidies?

Ms. TUCKER. Yes, I do.

Mr. FATTAH. OK. You think that's a worthwhile investment.

Ms. TUCKER. I think it is.

Mr. FATTAH. OK. In the conclusion of your testimony, you talk about the AmeriCorps supporting left-wing liberal agenda type organizations through these grants. And do you think that's a pattern among the AmeriCorps grants?

Ms. TUCKER. I don't know. I don't know as much about AmeriCorps as some of the other panelists up here do.

Mr. FATTAH. But you specify the ACORN—

Ms. TUCKER. Right, the ACORN Housing Corp. program.

Mr. FATTAH. Is that the only group that you are aware of?

Ms. TUCKER. Again, I do not—I've not been on the ground like my two colleagues who have a much better feel. We deal with macro policy issues.

Mr. FATTAH. This is your written testimony.

Ms. TUCKER. Right, this is my written testimony.

Mr. FATTAH. The last sentence says, "Congress should repeal AmeriCorps, a program that awards taxpayer dollars to special interests, ideological and political organizations."

Ms. TUCKER. There are examples of that, yes.

Mr. FATTAH. Is the ACORN the only example that you can point out?

Ms. TUCKER. Off the top of my head right now, yes it is. But I'm sure there are others out there.

Mr. FATTAH. Now, AmeriCorps gives grants to Habitat for Humanity, Red Cross, the YMCA, United Way, Big Brothers, Big Sisters, I Have a Dream Foundation, law enforcement, church-based groups, Greater Dallas Community of Churches, the Lutheran Family Services in North Carolina, Notre Dame.

Mr. SHAYS. I need to interrupt the gentleman. I'm going to allow the clock to turn over, as long as there's no members. But I've been informed that we have committee rules that I need to follow. You'll turn on the clock for 5 minutes. I'll allow the gentleman to rollover once. We'll guarantee that every member gets time to question; if that's without objection. OK.

Mr. FATTAH. Do you consider these groups part of this liberal, left-wing—

Ms. TUCKER. Mr. Congressman, every single program—we're in a time of fiscal—my main complaint with AmeriCorps is this is a country we're in a time of fiscal constraints.

Mr. FATTAH. This is your written testimony before the committee.

Ms. TUCKER. This is my written testimony. It does go—

Mr. FATTAH. That sentence is your sentence?

Ms. TUCKER. There are examples of it going to special interest groups. That is one that I know of.

Mr. FATTAH. And you know of no other?

Ms. TUCKER. I'm not an expert on the subject.

Mr. FATTAH. And you don't associate these groups that I read—

Ms. TUCKER. I wrote a paper on it, back when the bill was being analyzed, back in 1993. And I set out my concerns with the program as a bill back in 1993, and have written a few other things on it. I am not an expert on this program.

Mr. FATTAH. I'm sorry, but that's not responsive. I'm just trying to deal with what you said.

Ms. TUCKER. Off the top of my head—

Mr. FATTAH. ACORN is the only group that you can name.

Ms. TUCKER. Legal Services also is a lot of people—

Mr. FATTAH. OK, you'd like to add Legal Services to that list. Any of these groups that I listed here, would you add to that list?

Ms. TUCKER. I have no problem with any of those groups.

Mr. FATTAH. OK, so these groups are fine? Do you think that we should award these grants based on what groups' political viewpoints are, their parent organizations? Or based on what the kids are going to be doing, what these young people are going to be doing?

Ms. TUCKER. My problem—I think you're misconstruing my problems with the program. It is a problem with who the grants go to. My primary concern with this program is that it's very expensive; that it doesn't get our kids in college, which is what it says it's going to do; that we really can't afford this kind of unnecessary program right now. We need to start evaluating what this country is doing, and how we're doing it. And this is just sort of a fluffy, extra, additional program.

Mr. FATTAH. I'm not trying to—I'm reading from your testimony.

Ms. TUCKER. Right.

Mr. FATTAH. And you can understand how I can infer from your sentence—

Ms. TUCKER. Exactly.

Mr. FATTAH [continuing]. That you had a long list of groups that you felt were part of this—

Ms. TUCKER. I listed the groups that I know of in my testimony and I can supplement them, after I talk to my colleagues, in writing, if that would be helpful.

Mr. FATTAH. OK, but we're clear now that you are speaking specifically about ACORN and Legal Services.

Ms. TUCKER. The two I mentioned in my testimony, exactly. But I can supplement those and do more research if that would be helpful to the committee.

Mr. FATTAH. And do you think that these grants, if they were to continue, should differentiate between groups, based on their political philosophies?

Ms. TUCKER. I think the Federal Government should not be giving taxpayer money to political organizations.

Mr. FATTAH. Thank you very much. Thank you, Mr. Chairman. I'll pass.

Mr. SHAYS. Mr. Davis.

Mr. DAVIS. Let me try to get into the larger philosophical issues. And I think you've made some interesting testimony on the cost-effectiveness of this program. And I don't think we should ever be afraid to examine the cost-effectiveness of every program. That's our job, to oversee that, no matter how noble of a purpose the program. And I appreciate what you've given.

But let me ask, if we could ask a more global question. There are a lot of problems out there in the country that the government can't solve by themselves. It's not cost-effective to do that. Instead of affecting a government program, shouldn't there be some mechanism to try to use the innovation of the private sector, the dedication and commitment of the volunteer sector, and maybe the resources of the government sector, all working in the same direction, as opposed to just having the government try to do it?

I mean, there is a role here, and there is a role for coordination between the branches, and does this program try to effectuate that and maybe go too far? Or is there a way to restructure this or make this program do those kind of things—get everybody working on the same team in the same direction, recognizing that government's role, by itself, is not the answer? Let me just throw that out, philosophically.

Ms. TUCKER. Philosophically, I think the government should come in and do things that the private sector is not already doing. The things that we're talking about, that go on through this program are things that are already occurring in the private sector, without any government support. And they're working. So why fix it?

Mr. DAVIS. Let me just ask, more than just sit back and say, well, what's the private sector and what's the volunteer sector doing, maybe look at some coordination between the elements. I know I was in local government for 15 years, prior to this. And we found a great role for the local government, not to be doing the job, but many times to be working with the volunteer organizations and the private sector.

You get them around the table and say, how can we coordinate? And sometimes the government could put in a little sweetener to help make that go, that otherwise the projects—nothing was going to happen. Because for volunteers, it was too dirty or ugly a project; and for the private sector, there was no way to turn a dollar.

Ms. TUCKER. There is a role for that type of project. But I don't think that's happening through this particular program. There is a role to have government—FEMA—go in and train the volunteers and show them how to get things done; go in and clean the woman's house that was flooded that we were talking about—the elderly couple's house. There is a role for that, but this program doesn't do it. You're taking green kids off the street, that you're importing from Tulsa and Oklahoma City to hand out kneepads.

I think that probably there are some volunteers in Oklahoma City that might have been able to hand out those kneepads also.

Mr. DAVIS. OK. Anybody else want to respond?

Mr. WALTERS. Can I respond, because actually, this gets at the issue that I'm most concerned about with regard to this program and reform.

Mr. DAVIS. OK.

Mr. WALTERS. I think you have to have a limited definition of what government ought to do. And that is part of what I think is the core of what reform ought to look like, not only at the Federal level, but in terms of State and local government. And I believe that partly reflecting on the experience of the expansion of government bureaucracies at all levels, there is no question in my mind that these primarily were done with the best of goals and objectives.

The problem is that the independence and self-reliance and control and the vitality of these efforts in some areas—and I would argue, the voluntary service area is one that should be absolutely clear, which is why I so vigorously oppose this program—ought to be a place the government doesn't meddle. Now, that doesn't mean it's always going to work perfectly. But I don't think the Federal Government can look at all its programs and policies working in the country and say, well, we do things perfectly; everybody else needs some help from us.

And I do think that in this time, we ought to be trying to establish more distinctions between what is a compelling Federal responsibility; what is a compelling government responsibility; and what is an area where we ought to back out government—not because we hate government, or government's bad or we don't need any government, but because the best way to do it and to give people the sense that they are responsible for things and they are deciding things, are up to them.

They may not work as well, but part of giving people freedom is allowing them to fail.

Mr. DAVIS. Well, John, that's the whole budget and appropriations process. We go through this every year. And it's got to be a dynamic process, because the country's changing quickly and needs change, but I don't disagree with that. But basically, let me ask you, you had referred—it's not in your written testimony that I can find—but you had talked about military service, and the benefits from military service versus benefits from this. Can you amplify that at all?

Ms. LACEY. I was just answering what had been an anticipated question earlier, with Mr. Segal, where he said that this would in no way adversely affect the recruitment of the military. But just anecdotally, I can offer that example; that I did meet at least one individual down there who was definitely diverted from joining the Air Force by the Peach Corps education stipend.

Mr. DAVIS. OK. Thank you.

Ms. LACEY. I would also say, in answer to your earlier question, I think it depends what level of government we're talking about. I also saw, in Thompson, GA, where there was a very impressive web of volunteer networks and local government that worked together. And these people are all neighbors, and they know what can best meet the needs of their neighbors—not a task force from Washington.

Mr. DAVIS. OK. Thank you.

Mr. SHAYS. Thank the gentleman. Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. Mr. Walters—and I understand where you're coming from because, in fact, the whole

panel, that we have to re-evaluate government and where we're going, particularly in the effort to try and reduce the deficit and the budget. And I guess coming from different angle—I would much rather have volunteerism encouraged, whether it's a core group that's being rewarded and other people being involved.

And I know the examples you used, there may be 100 people out on a given project on Saturday in Houston. Twenty of them may be AmeriCorps, but those 20 are there, plus they're supplementing the volunteers who are there, because of the commitment to their community. And I would think that we would look at the Federal Government and say, well, wait a minute now, we're leveraging our tax dollars much better for the projects like AmeriCorps, than we are with some other program.

I enjoyed your example, and I start with, Mr. Walters, I think, the same idea as you do—that there's waste in bureaucracy, whether it's city, county, State, Federal. And I notice from your vitae that for 12 years, you were a part of that bureaucracy in various positions. And in particular the last one, the Office of National Drug Control Policy, in charge of supply reduction. And I guess if we looked at the results of what AmeriCorps is doing after 18 months, because it was signed in September 1993.

I know we got our first grants in Texas for the 1994 years. The results—we would probably look back on the 3 years or 4 years you were there and say, well, wait a minute, I don't think the supply reduced during that time, either. And I know we can make that argument about every government program. I can go to schools—we had 40-some kids here this morning who are getting an education in an inner city school, where last year in that school, very few of them passed our Texas, our TOS test, our State test for fifth graders.

Those kids now have a 90 percent pass ratio—99 percent. I think there was one child who was not passing. And so we see the good results. Granted, there's probably and awful lot of other problems with it, but let me talk about some of the things you brought up and also some of your testimony, other than just saying, sure, we need to evaluate every Federal program. And for 12 years, you were part of the bureaucracy, whether it be at Department of Education or at Endowment for Humanities or at the National Drug Control Policy office, in director or deputy director of supply reduction.

So I guess we could look at that and say, that's almost like saying in the other testimony about we need to cut—we're limiting volunteerism. Well, in that case, every preacher in the country should be there for free. And we do have a lot of people who pastor for free. But I would dare say, from our richest churches to our medium-sized churches, they probably wouldn't have a lot of pastors there who, if they didn't get something to encourage them to be there. And I have a brother-in-law who's a pastor, who works for very much less than I think he should.

But again, when you look at the amount that AmeriCorps gets, compared to the service that they are providing, I know in my own district. Let me talk about the Nebraska, although that was gone over—let me go on and talk about the Earth Day. In a memo that I saw that you wrote on April 15, that AmeriCorps had taken part

in political activities on the Federal payroll. And that bothers me, whether they're liberal, conservative, Democrats or Republicans.

You talk about the Earth Day activities, and particularly the activities here in Washington—the Earth Day rally that the President and Vice President was at. And that same Earth Day, that same AmeriCorps project group—one of their projects had been cleaning up Chesapeake Bay. And to say that it was a political activity for Earth Day, I thought Earth Day was bipartisan. In fact, a lot of my chemical plants in Houston also celebrate Earth Day, and they obviously wouldn't be for the President right now anyway.

But is that what you consider a political activity? Celebrations of Earth Day?

Mr. WALTERS. Well, it wasn't just a celebration of Earth Day, it was a—they were brought in. The press report was clear on this, that they were there. Now, whether they—how far they traveled, and I gather from communications I've had with Mr. Allen of AmeriCorps, some of them were close by; some of them happened to be in the area from farther away. But the long and short of it is, these AmeriCorps members were assembled for what the press reports—and I've read the text of the speeches—what was universally reported as an extremely partisan speech not just about Earth and conservation, but an attack on one party by the President, of another party.

Now, these people might differ about that——

Mr. GREEN. The President of the United States.

Mr. WALTERS. Right. And——

Mr. GREEN. We don't have a president of the Democratic Party.

Mr. WALTERS. No, I said a President of another party. I'm sorry if I was misunderstood. Now, reasonable people may differ about the appropriateness of that. But I think some people, and the people I share the view of, is that if a kind of program like this is going to work, it has to be separated from partisan politics. And participants in this program ought not to be used as a backdrop for a partisan attack.

I mean, a general speech about Earth Day, people working in the area from anywhere—I don't think anybody has a problem with that.

Mr. SHAYS. Would the gentleman yield just 1 second?

Mr. GREEN. We have had Earth Day in the Presidents—whether it was President Bush, President Reagan, President Clinton—and I don't know how long we've had Earth Days, because I've only been in Washington 3 years. I guess we've had them for many years. But they have had speeches by Presidents at prior Earth Days.

Mr. SHAYS. I wonder if the gentleman would just yield a second. I will give you the time. I'm having a difficult time understanding the concept that when a President of the United States comes somewhere, that people wouldn't want to see him. And does that mean that we should eliminate the Army, when soldiers come and see their President? I'm having a difficult time with that one.

Mr. WALTERS. Well, I guess I would have a problem, too, if the President of the United States assembled the U.S. military to make a partisan attack on the opposition party. I mean, if you're saying, do people in AmeriCorps or in the Army have the freedom, on their

off time, to go see the President or anyone else? Of course they do. The issue is whether or not government funds are being used to provide a backdrop for a partisan political activity.

And I think that's a serious issue, and we may not share—

Mr. SHAYS. No, I think that's serious, but you're under oath. Are you alleging that Federal dollars were used to do that, under oath?

Mr. WALTERS. Well—

Mr. SHAYS. No, it's under oath, now. This is—the day where you can just throw out something—you are under oath.

Mr. WALTERS. Look, Mr. Chairman, you several times have given me a lecture suggesting I'm lying. I have a long career of testimony. I have never been criticized for being disingenuous. I have testified before—

Mr. SHAYS. Well, for the first time, you may be. You are under oath now, and I am going to ask you a very specific question. Under oath, do you have any evidence that says that AmeriCorps has been used for political reasons? Government money used as a backdrop for the President?

Mr. WALTERS. I want to be very clear about what I'm going to say.

Mr. SHAYS. And take your time.

Mr. WALTERS. In my personal view, the assembly of these members on time paid for by the government to orchestrate a political attack for partisan purposes is a misuse of money. I don't think it's necessarily a felony, and I recognize it's a gray area. I'm arguing about appropriateness and right. I'm not arguing there's Federal fraud here.

Mr. SHAYS. OK. What is this even that you're specifically talking about? What specific event are you talking about?

Mr. WALTERS. I'm talking about the event that Mr. Green referred to. The Earth Day speech in Maryland, actually, was where it was given.

Mr. SHAYS. OK. Now, this was a political event, in your judgment. The President of the United States was there on Earth Day. And what was said at this political event that—

Mr. WALTERS. I don't have a copy of the text. I'll be happy to provide one.

Mr. SHAYS. Yes, but what, in general, what did you find objectionable?

Mr. WALTERS. Well, and I would suggest not only me, but the tone of the remarks, I think, both by the President and the Vice President, were that the Republican Party was a danger to protecting the environment; was threatening cuts that would harm the environment; was insensitive to the environment; and that the issue of the day was designed to illustrate the danger of the opposition party in a way that I think, by even, not just my view, but press accounts of the speech, was a partisan attack.

Mr. DAVIS. Mr. Chairman?

Mr. SHAYS. Mr. Davis?

Mr. DAVIS. Was that the same speech where Wayne Gilchrest, whose been a leading environmentalist over on our side of the aisle, was not permitted to sit on the stage?

Mr. WALTERS. I believe it was, yes.

Mr. DAVIS. I think that was the same one.

Mr. WALTERS. I can't testify personal knowledge.

Mr. DAVIS. I think that's the one that got a lot of play in the local area. I mean, it's always, I'd guess, a debate whether something is political or not political. It certainly was, from the press reports, it would be my opinion—but that's an opinion issue over what's legitimate news.

Mr. SHAYS. And your testimony is that AmeriCorps volunteers were told they needed to be there?

Mr. WALTERS. I just said they were there.

Mr. SHAYS. OK.

Mr. WALTERS. I said if they were there under—

Mr. SHAYS. Can we let the record stand, then, and just say that AmeriCorps volunteers were at an event on Earth Day, in which the President spoke. But under oath, I'm just saying that I want you to be more careful. And we'll just deal with the facts, and go from there. I thank the gentleman.

Mr. GREEN. Thank you, Mr. Chairman. Let me continue with some specifics about that event. And I'm not cognizant of Mr. Gilchrest, because I'm concerned about that if he wasn't allowed, particularly if it's his own district. But from what I understand, the location of it was right next door to the AmeriCorps site in Maryland. Are you familiar with that?

Mr. WALTERS. I understand there were some of the AmeriCorps members present were working at a site near there.

Mr. GREEN. To their base next door.

Mr. WALTERS. I also understand from correspondence I got from Mr. Allen that some of them happened to be in the Washington area from, I think, either North or South Carolina, and drove over to this from some training exercise they had here, as well.

Mr. GREEN. OK. From what I've seen from memos, AmeriCorps was going to be praised at that speech on Earth Day, and obviously, their commitment and their work that they've been doing with cleaning up the Chesapeake Bay. And it was next door to the base of the AmeriCorps in that location.

Mr. WALTERS. Well, it may have been.

Mr. GREEN. I guess that's what bothers me about the testimony, not just of you, Mr. Walters, but the three of you, because again, and I think the Chairman has pointed that out. We have a lot of generalizations. And that's sometimes our job in Congress—we can talk generalizations, but then we get down to specifics. And I'd like to see the specifics. If you say it was a political event on Earth Day, when I know we've had Earth Days for 12 years under Democrat and Republican Presidents.

And I would dare say, if I went back and checked the text of the speeches, I could probably find a little political tinge to some of the speeches of President Bush and President Reagan.

Mr. WALTERS. I have no objection to that.

Mr. GREEN. And frankly, if there had been any volunteer groups who had showed up there and said, by the way, we're going to honor department of drug policy employees today on—and this is a good program to be at; you might be able to take off from work to go over there. And that wouldn't just be AmeriCorps participants, that would be actual Federal employees there, maybe part of it.

So again, when you say that they're involved in political activity, let's be specific, and I think the Chairman pointed out.

Mr. WALTERS. Wait a minute. I want to be clear, because the Chairman's made such a point of it. I did not say they were involved in political activity. I said they were there, and I said that there was a political and partisan speech given, in my judgment, and that the participation of them as a backdrop in such an activity, I thought was inappropriate.

I did not assert fraud. I did not assert—and I want—because you asked me to be clear. I did not assert that they gave part of the speeches. I did not assert any of that. What I said was, I think it's not appropriate to use people in this situation, paid for in part by taxpayer dollars, as a backdrop for a partisan event.

Mr. SHAYS. Gentlemen, first off, I think if you as a very honest man, and I want that on the record. And when I say you're under oath, what I'm trying to say is, what we're trying to do is get beyond beliefs and opinions of someone else and talk facts. You just used the word use, and said the President used AmeriCorps. And we know that it was right next door. We know that AmeriCorps was involved in Earth Day activity.

And so I just want the facts, and there are going to be things that embarrass the White House; that are going to embarrass supporters like me, who support the program. But I just want to finally come to the real issue. I want to make sure that Mr. Chrysler has a chance to go. But we have 10 minutes, and if you want to take 5 minutes now.

Mr. CHRYSLER. I'll be very brief. How do you—and this is for Allyson Tucker. How do you arrive at the \$30,400 per participant cost for the AmeriCorps program?

Ms. TUCKER. I think, if it's what I'm thinking, I think we divided the actual amount from the budget by the number of participants.

Mr. CHRYSLER. OK, even though they say it's \$17,600?

Ms. TUCKER. I'm not 100 percent sure. I can go and find out exactly where those numbers came from, and get back to you on that. But I think that is where they came from.

Mr. SHAYS. Miss Tucker, I just have to respond to that, if the gentleman will yield.

Ms. TUCKER. OK.

Mr. SHAYS. This is your testimony. And if you're getting your testimony from someone else, then I'd just as soon you invite them to come and testify. But you are talking about something that is a very important issue to this country. We're talking about AmeriCorps, that some people like and some people don't like. We're just trying to know the facts.

Ms. TUCKER. I'll be glad to get you the facts.

Mr. SHAYS. The facts are, if you have taken and divided 1995 dollars into 1994 volunteers, then you have done an extraordinary disservice. Have you heard anything in the testimony of Mr. Segal that would suggest that it isn't the number that he has given?

Ms. TUCKER. I don't think you asked him how he calculated his number, did you?

Mr. SHAYS. We sure know how he did. What he did was—

Ms. TUCKER. All right. OK, well, I will make sure. I don't remember exactly.

Mr. SHAYS. What he did, what you do is, you take the number of participants now—20,000—and you divide them into the 1994 dollars, because the 1994 dollars pay for the 1995 volunteers. And then you don't take the 1995 dollars and do it, because the 1995 dollars are going to pay for the 33,000. And that's where you'll get your number. And it doesn't take a rocket scientist to do it. Where the problem is, is when people mix the two numbers.

Ms. TUCKER. I don't think we mixed the two numbers. Let me—I'll go back and find out for sure and supplement my testimony.

Mr. SHAYS. You know what I'm going to ask you to do? I'm going to ask you to do that right now, and I'm going to recess the committee. I'll let the gentleman continue, I'm sorry. And when we go to recess, then you can come back with your numbers. It's your testimony. I'm sorry, the gentlemen from Michigan.

Mr. CHRYSLER. Reclaiming my time. I just want to very quickly ask all three of you, AmeriCorps program—keep it or get rid of it? Allyson?

Ms. TUCKER. I think it should be gotten rid of.

Ms. LACEY. I would agree?

Mr. CHRYSLER. Get rid of it?

Mr. WALTERS. Yes, I would close the program.

Mr. CHRYSLER. Thank you.

Mr. SHAYS. We're going to recess this hearing. And I look forward to getting your numbers.

[Recess.]

Mr. SHAYS. I'd like to call the hearing back to order again. And Miss Tucker, I need to explain something to you. I am frustrated with two elements of this. It is not the philosophy of it, because we can all disagree. I just want witnesses who come before us, who are going to present facts and statistics to be comfortable with their facts and statistics, and to know how they got to them.

Now, I'd like to know from you, what you believe the cost of AmeriCorps volunteer is, in this year of 1995, the 20,000 volunteers. What is the cost?

Ms. TUCKER. Thirty thousand and four hundred dollars is the number that Senator Charles Grassley has provided as the cost per AmeriCorps member. His staff derived this number, based on the cost per volunteer that APT Associates, a Cambridge, MA, consulting firm, offered as the cost per completed graduate in the Summer of Service program. That is where that number comes from. If you doubt my veracity, you can talk to Senator Grassley, because that is where it comes from.

Mr. SHAYS. No, I'm going to talk to you. Now, we're going to talk to you. How many volunteers are there in AmeriCorps?

Ms. TUCKER. There are 20,000 volunteers.

Mr. SHAYS. OK. What is the budget of AmeriCorps?

Ms. TUCKER. The budget is \$370 million.

Mr. SHAYS. OK, and when you divide that in—

Ms. TUCKER. That equals \$18,500. We're talking cost per completed volunteer, not cost for people who are there for a few months. The GAO—

Mr. SHAYS. I don't want you to talk so quickly. You're going to have as much time as you need.

Ms. TUCKER. OK.

Mr. SHAYS. You're going to have as much time as you need.

Ms. TUCKER. The General Accounting Office is in the process of finding out exactly what the cost per volunteer is. And we will know that number as soon as they reach—when they come out with the publication. And they will spell out the details of the actual cost, depending upon how you calculate it.

Mr. SHAYS. It's just important that we make sure we don't mix the senior program of a half a million and the Learn and Serve of a half a million students. And we talk about AmeriCorps, it's 375,000, it's 20,000 employees. It amounts to close to \$18,000 per—

Ms. TUCKER. But again, I'm talking cost per completed volunteer—cost per person who finishes the year out, graduates from the program.

Mr. SHAYS. Slow down a second. I just need to understand something. We're appropriating \$370 million a year to this program.

Ms. TUCKER. Right.

Mr. SHAYS. There are 20,000 volunteers.

Ms. TUCKER. Exactly.

Mr. SHAYS. OK. Now, when you say cost, you mean going through 2 years?

Ms. TUCKER. Cost of completing 1 year, when they're done with the program. It will be—we don't know that number yet. Nobody knows for sure. The only thing we know is we can compare it to the Summer of Service. We do know what the amount was spent per child.

Mr. SHAYS. Do you have any dispute that we appropriate \$375 million?

Ms. TUCKER. No, I do not.

Mr. SHAYS. Do you have any dispute that there are 20,000?

Ms. TUCKER. No, I do not.

Mr. SHAYS. Thank you. I'd like to just ask you a few more questions and then proceed with our other witnesses. You have a philosophical problem with AmeriCorps. And so we can have our differences there. Philosophy is simply going to be your opinion and my opinion and so on. But do you think, if it is \$18,000 a year, that it's too expensive?

Ms. TUCKER. I don't think it should exist at all. I don't think we should be paying our young students to volunteer. Volunteer means not being paid. Once you start paying somebody, it becomes a jobs program. And that's my philosophical problem with the program.

Mr. SHAYS. We have a voluntary Army.

Ms. TUCKER. Right.

Mr. SHAYS. Should we have them—

Ms. TUCKER. We don't consider them volunteers; we consider them members of the military.

Mr. SHAYS. I consider national corps participants national corps participants. I was called a Peace Corps volunteer. Should I have received any payment? Or do you oppose the Peace Corps, too?

Ms. TUCKER. I personally don't think the Peace Corps—I mean, I don't think that is a role that our Federal Government should be playing right now.

Mr. SHAYS. OK. But I was called a Peace Corps volunteer.

Ms. TUCKER. Right.

Mr. SHAYS. Miss Lacey, when you visited Peach Corps, and I want people to know I am meaning Peach, not Peace, what time did you get there in the day?

Ms. LACEY. I got there first thing in the morning, which for them, I think, was 8 a.m.

Mr. SHAYS. And you were there for how long?

Ms. LACEY. I was there for 3 days.

Mr. SHAYS. OK. And you earlier said that you had spoken to a number of volunteers that said they would have been in the service.

Ms. LACEY. Well, I said I—

Mr. SHAYS. And then you corrected it, and you said one. Was it one, or was it a number?

Ms. LACEY. I spoke to one that I remember. I'm confusing whether another gentleman that I'm thinking of also agreed with that. But there was definitely one.

Mr. SHAYS. And how many sites did you visit?

Ms. LACEY. I visited the sites, which were also under this Peach Corps, in Vidalia, GA, and in Thompson, GA.

Mr. SHAYS. OK. At each site, how long did you spend?

Ms. LACEY. A day and a half at each.

Mr. SHAYS. You were just visiting with the volunteers and seeing what they did?

Ms. LACEY. I interviewed, basically, all their supervisory personnel and a good representative sample of their Corps members; probably the majority of their Corps members.

Mr. SHAYS. OK. When you think about the hours, did you make an assumption that they only worked 40 hours a week?

Ms. LACEY. I don't think they do work 40 hours a week. I think they work roughly—or they're paid for roughly 35.

Mr. SHAYS. OK. And it's your testimony that they only work 35 hours a week.

Ms. LACEY. It depends on how you define work. Thank you for using that term, work.

Mr. SHAYS. OK.

Ms. LACEY. They show up at a site; they do calisthenics; they have a little morning meeting; and then they're transported to their job site. Then in the afternoon, there's sort of a similar ritual. That works out to be about 6 hours a day that they're putting in at their specific job sites.

Mr. SHAYS. And it's your testimony that they don't work on weekends; they don't work late at night; they don't come in earlier?

Ms. LACEY. No, certainly not. As far as weekends, I was told that there were one or two—there's one that I can remember, a project where they were handing out food in the community, where they were encouraged to come on a particular weekend. But it wasn't mandatory. And that was the only example that I was given.

Mr. SHAYS. We have 20,000 volunteers. How many of those volunteers do you think would have qualified—national corps participants—how many of them would have qualified for military service?

Ms. LACEY. I have no idea. That's a hypothetical question. I have no idea.

Mr. SHAYS. No, it's not a hypothetical question. I mean, you have to be a certain age, and you have to have a high school degree and you have to—there are just a lot of other factors.

Ms. LACEY. How many do I think?

Mr. SHAYS. Were any of the volunteer participants that you saw, were they all under 25, or what were the ages?

Ms. LACEY. Certainly the vast majority of them were under 25. I believe there were, out of the 80 or so that were there when I visited the program, I think there were five who were senior service. The young man that I spoke to, though, that I am referring to in this anecdote, seemed to be of good health and was the right age.

Mr. SHAYS. Right.

Ms. LACEY. And from what I could know by speaking with him, he seemed like he would have qualified.

Mr. SHAYS. Thank you. Mr. Walters, in your testimony, you make reference to the fact that you give us very specific testimony in the problems that you have. You say, "Fourth, like all government bureaucracies, AmeriCorps costs too much." We can get into that issue, but I think we've dealt with that issue. Then you talk about AmeriCorps national ad campaign, which cost twice what the inspector general recommended. What inspector general?

Mr. WALTERS. My impression is, it's the inspector general that governs the Corporation for National Service. I got this information from Senator Grassley's office.

Mr. SHAYS. So you don't have any firsthand knowledge? You haven't seen any inspector general's report?

Mr. WALTERS. No, I have not personally seen the inspector general's report.

Mr. SHAYS. OK. You don't know if it was AmeriCorps; you don't know what inspector general? You just know you got this from Senator Grassley. I'm beginning to think I should have Senator Grassley here. And your testimony is that there's this national ad campaign. Would you tell us about this national ad campaign?

Mr. WALTERS. Tell you what about the national ad campaign? I mean, my impression is, there was some—

Mr. SHAYS. My problem is impression. But it's something you're critical of, and I'm just interested to know if you can tell me about how much this national ad campaign cost; what it was used for, and so on. You're critical of it.

Mr. WALTERS. Again, I'm not sure how to respond. I have not seen all the national ads. All I'm doing is saying that there was a publicity firm, as I understand it, engaged. I think Mr. Segal referred to it in his testimony. The amount, as reflected in my testimony and the comment on the amount, why the inspector general governing national service, was a statement of circumstance. I received information from Senator Grassley's office. I can't tell you more than that.

Mr. SHAYS. OK. So you don't know how much was spent; you don't know what inspector general; you don't know how the money was used?

Mr. WALTERS. I don't. I have not seen a report, and I obviously am not privy to the internal operations of AmeriCorps.

Mr. SHAYS. Do you have any questions, Mr. Fattah?

Mr. FATTAH. Yes.

Mr. SHAYS. OK.

Mr. FATTAH. Thank you, Mr. Chairman. I'll try to be brief. But my question is for Jill Lacey. How are you? You are a research associate; is that correct?

Ms. LACEY. That's right.

Mr. FATTAH. OK, now, you used this anecdotal information about the one volunteer who said that they would have had perhaps gone into the military.

Ms. LACEY. Yes.

Mr. FATTAH. Do you have any what would be traditional research?

Ms. LACEY. I've done no overall statistical research on that.

Mr. FATTAH. You should not draw inferences from this anecdote.

Ms. LACEY. I was using that to refute Mr. Segal's claim that it would never affect military recruiting. I know of one example where it has affected military recruiting.

Mr. FATTAH. OK. But I would assume, during the normal course of research, you would not take an anecdotal situation and infer from it.

Ms. LACEY. No, I specifically said it was an anecdote, if you remember from my testimony.

Mr. FATTAH. OK. My real question is, Miss Tucker says that she thinks that AmeriCorps would be comprised of basically children of wealthy people on one end. And you have said, in a June 12 article—

Ms. LACEY. I think that misstates her testimony.

Mr. FATTAH. All right, well, let me get to your point, then, and I'll come back to Miss Tucker. In an article that you wrote, titled, "National Service, Just More Welfare," that it's unlikely—this is your quote—"that it's unlikely that many shining, white, middle-class faces will be in AmeriCorps." Is that your quote?

Ms. LACEY. I believe you're reading it, yes.

Mr. FATTAH. You believe that I'm reading it, or you believe that is what you said in that article?

Ms. LACEY. I believe that is what I said. I don't have it in front of me to verify, but I'll take your word for it.

Mr. FATTAH. OK. So exactly how many shiny, white, middle-class faces would be needed in AmeriCorps?

Ms. LACEY. I'm sorry?

Mr. FATTAH. I'm trying to understand how many shiny, white faces you think should be represented in the AmeriCorps program.

Ms. LACEY. I would say that no faces of any kind should be represented in the AmeriCorps program, because I believe against it so strongly; I'm so strongly opposed to it.

Mr. FATTAH. You're against it whether it was all white, all whatever?

Ms. LACEY. That's correct.

Mr. FATTAH. So the purpose of your comment in this article was to make what point then?

Ms. LACEY. The purpose of that comment was—I believe if you would read it in context, it would probably show it—but to say that there was a large emphasis on affirmative action in the program;

that it wasn't necessarily—whereas I believe the Peace Corps recruited their members based on specific skills for specific jobs.

I have seen it said from AmeriCorps representatives—and I can't quote specifically right now where—but my memory is that I've seen them say things along the order of we want this to be 70 percent minorities. And I think that whenever you go into a program deciding that—

Mr. FATTAH. Someone from AmeriCorps said this, or national service?

Ms. LACEY. That's my recollection.

Mr. FATTAH. OK, could you share with the committee the specifics of that statement?

Ms. LACEY. I'll be glad to do that in writing. I can research that, and provide that for you in writing, yes.

Mr. FATTAH. OK. Now, do you know the demographics of these 20,000 volunteers? The racial demographics?

Ms. LACEY. I don't know them intimately. No, I don't. I remember reading that Summer of Service was 70 to 75 percent minorities.

Mr. FATTAH. OK. About 50 percent are not.

Ms. LACEY. Currently?

Mr. FATTAH. Fifty percent happen to be shiny white faces. Is that a good thing?

Ms. LACEY. Again, my objection to the program is the program, not the component therein. My only point is—

Mr. FATTAH. I think that would be logical, except that you said—one of the points that you made in this June 12 article, which you said you wrote, is that “it is unlikely that many shiny, white, middle-class faces.”

Ms. LACEY. Would you be kind enough to read that all in context for us?

Mr. FATTAH. Well, I don't have the whole article.

Ms. LACEY. You just took the quote.

Mr. FATTAH. But I've asked you to tell us why you raised the point.

Ms. LACEY. Again, that this is not a program of just volunteers going out. It's a program of the government deciding that we're going to have this program, and this is exactly what the makeup of the program is going to be.

Mr. FATTAH. OK, thank you. Now, Miss Tucker, you said you had some concerns about my opening pretext to my question. You stated in a March 1995 article that most AmeriCorps members come from wealthy households.

Ms. TUCKER. No, my comment on that article was that the program was not means tested. I had no information at the time to say where they come from. I really don't know where they come from. Again, I'm not an expert on the way this program runs currently. In theory, though, in the legislative battle, there were a number of amendments to the legislation that were offered to means test the program, and they were all turned down. They did not want this to be means tested.

Mr. FATTAH. In your testimony today, you said—

Ms. TUCKER. In my written testimony today, I did not mention economic status of the participants at all.

Mr. FATTAH. Yes, on the opening sentence on the third paragraph of page three of your written testimony today, you said, "Finally, the AmeriCorps was not means tested. Thus, the children of wealthy and influential people can elbow out poor students for participation in the program."

Ms. TUCKER. And they can elbow out. There is no means test. So anybody—your child, anybody in this room's child can participate in that program. You can elbow out a more needy child. There is no means test.

Mr. FATTAH. But you did say in the March article that most AmeriCorps members come from wealthy households.

Ms. TUCKER. Some of them do, compared to the mean income.

Mr. FATTAH. I'm trying to get the essence of your quote in that article.

Ms. TUCKER. Right. I do not know the actual—I'm not an expert on this program. I've never proclaimed to be.

Mr. FATTAH. It's OK. We all make mistakes. I'm trying to understand—

Ms. TUCKER. I'm not saying I made a mistake. I do not know. I can look up the exact demographics of the program. I do not know them. I do know that it's not a mean—

Mr. FATTAH. So when you said in March that most come from—

Ms. TUCKER. Most of them are above the median income.

Mr. FATTAH [continuing]. That was not information based on any—

Ms. TUCKER. No, I know for a fact that most were above the median income.

Mr. FATTAH [continuing]. Any facts.

Ms. TUCKER. But I do not know—I got that number, again, from Senator Grassley's office. I can call them up and verify it.

Mr. FATTAH. All right. Thank you very much. Thank you, Mr. Chairman.

Mr. SHAYS. All right. Before calling on Connie Morella, I'm just going to ask Mr. Walters this one last set of questions. You circulated the claim that the State of Nebraska received an AmeriCorps grant of \$457,622 to recruit 23 AmeriCorps members. And then you said that is nearly \$20,000 just to sign up each volunteer. Where did you get that statistic?

Mr. WALTERS. That's what I referred to in my opening statement. That statement is from the editorial of the Omaha World Herald. That's not a sum just to recruit, if it's understood to be a recruitment sum, rather than a sum to bring in 23 people and have them participate in the program. It depends on what you understand the meaning of the word recruit to be. It's not just to recruit. That statement that you're quoting from me earlier is not accurate.

Mr. SHAYS. OK.

Mr. WALTERS. Although it is an accurate quotation from the Omaha World Herald.

Mr. SHAYS. I have come to the conclusion that when we trace a lot of this information, a lot of it comes directly to you. So you speak with a tremendous amount of authority, and that's why you were invited here. And the one request—I'm sure you would have requests of me, but the one request I would have from you is that

you really be certain of the documentation. Editorial boards are not always accurate.

Candidly, when I've asked Senator Grassley where he's gotten some of his information, he's gotten it from you all. And that's why you're here. And I'm trying to find where, finally, I can get that source. Because it's my understanding they spent about \$1,000, not \$457,000. Would any of you just like to make a last comment, before we get to our next panel?

Mr. WALTERS. Yes, let me just say one thing about the discussion, given the tone. And I take your point about philosophic difference on broader issues not being the point you want to argue here. And I agree with it. But I do think that, and I'm willing to argue that sometimes we have not—that I have not felt as comfortable with some of the data as I would like. But I would say that I'm not sure that I was able to convey the problem in some of the costing issues, like the one you refer to, which is not simply a matter of recruitment, but a matter of getting precise cost numbers, and comparing apples and apples.

During the recess, I talked to Mr. Allen in the hallway, from AmeriCorps. And of course, there's now a large and maybe yet undetermined number of participants in the program that are not full-time, that are part-time. Some of them are getting stipend; some of them aren't getting stipends. The cost per volunteer obviously will vary, depending on what overhead costs you include—whether it be bargaining stipends, what percentage you're giving stipends, how much matching money is involved, how many people actually finish and qualify for education benefits and how many don't.

If there's a difference, a fundamental difference, between the cost per member at 20,000 or 18,000 or 15,000 and 30,000 or 40,000, we ought to get to the bottom of that. And obviously, that's going to require numbers that even the information AmeriCorps has provided so far is going to have to be looked at in terms of the completion of the first year of service. I assume the GAO report is going to get to that.

I'd just like to say, since there's been some tension on this point, I have not tried to distort the costs here. I've tried to gather information, and the program was new; a lot of the information wasn't out there. And I've tried to use press reports where I thought there was a credible press source, in the case of the Omaha World Herald example. I don't think this is uncommon.

I mean, I watch C-SPAN and see Members of Congress address the floor and quote press reports because we don't have the staff to be everywhere and witness everything ourselves. But I want to just emphasize, because I feel that there's some question about whether or not our big views cause us to be dishonest in some of the subarguments. I have not tried to be dishonest in this area. And my staff and I, although we are small, have tried to gather the best information we can, and to cut this different ways.

It has been difficult. And I suspect some of that difficulty is because AmeriCorps itself is trying to pull information from a lot of diverse sites, at the beginning of a program. But I think, obviously, and maybe unfortunately for them, the budget situation has put the life or death of this program on the line at the time it's being

born. And that makes it harder to bring this information out than it might be if you looked at it after its 3-year authorization.

Mr. SHAYS. I appreciate the gentleman's comment. And let me just say to you, the only reason I make the comment is that you have become the source for information. Your organization is quoted widely. And so if you are then passing on information that you got from Omaha or somewhere else, or some other source, the challenge is it then becomes your source. And your organization has credibility in that respect.

So I'm going to offer my services. We may ultimately disagree on the philosophy of it. It may be that this Congress doesn't fund this, and that would be a tragedy, in my judgment, not in yours. But I would hope it would be over the facts. And we can argue the facts, and then we can argue the philosophy. And I'm going to invite you to call on AmeriCorps and Rick Allen, in particular, and if you find him not cooperative in any way, I want to know about it. And I'll try to help out.

Mr. WALTERS. Let me just say, on his behalf, he has been forthright. I think I've been—while we disagree and he may disagree with some of the things I've said, I think I've tried to be pretty candid.

Mr. SHAYS. Well, I think you all are very sincere, and I'm trying to be sincere, as the other members here. And hopefully, we'll do the right thing for our country. I'll just conclude by saying that your word carries a lot of weight with people, so I'm just hopeful that it's really as accurate as you can make it. And we're going to call the next panel, and I thank each and every one of you.

Mrs. Morella would like to make a statement, and welcome you for being here.

Mrs. MORELLA. Thank you very much, Mr. Chairman. I do think this is a very interesting hearing, and have been very interested in AmeriCorps from its inception. I just wanted to point out we have probably the largest number of AmeriCorps participants in the State of Maryland. And in my district, Community Year was the predecessor of AmeriCorps, which allowed young people to work for a year, get a small stipend, which they could use for educational reasons.

So I am very interested in any hard facts that you can give us, too. But I just had to put in that kind of parochial point. Thank you, Mr. Chairman.

[The prepared statement of Hon. Constance A. Morella follows:]

PREPARED STATEMENT OF HON. CONSTANCE A. MORELLA, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MARYLAND

Mr. Chairman, I appreciate your efforts to hold this important oversight hearing on the Corporation for National and Community Service. As you know, I supported the legislation that created this Corporation. The goal of the National Service Trust Act was to involve every American, from kindergarten to senior adulthood, in service.

Creating opportunities that connect people to their communities promotes the best in American values. I believe that national service enables individuals, young and old, to make meaningful contributions to society.

I have long been an advocate of providing financial assistance to students in return for service. Offering financial awards opens the way to a higher education.

When I first came to Congress, I sponsored legislation to provide scholarships to students in return for service in the Peace Corps. The Peace Corps Volunteer Education Demonstration Act was approved by the 101st Congress, and students in that

program are now promoting peace and friendship while fighting hunger and poverty in developing nations.

It is my understanding that my state of Maryland has more AmeriCorps members per capita than any other state. In Maryland, 854 people participate in 18 different programs.

In my own district of Montgomery County, Maryland, the Community Year Program was an early model of the National Service initiative. Students between the ages of 17 and 23 work on various projects around the county. In exchange, each student receives a \$5,000 scholarship. Young people from diverse backgrounds, from college graduates to at-risk youth, work together in teams toward a common goal, building mutual respect and learning tolerance for diversity.

Are the programs under the auspices of the Corporation for National and Community Service too expensive? Do these programs promote educational opportunities for our nation's students? I look forward to discussing these issues with our distinguished witnesses, and I appreciate their willingness to share their expertise about the National Service Program.

Mr. SHAYS. I thank the gentlelady. We're going to combine the next two panels. We're going to invite James A. Joseph, who's chairman of the board of directors, because I understand he has an appointment. And we're going to invite Mr. Joseph to testify first, and also invite John Timoney and Phillip Wu and Jeanie Bloom to come and testify as well. So we'll have four on this panel.

I did it again. I should have kept you standing. I'm sorry, I apologize. If you would all raise your right hand.

[Witnesses sworn.]

Mr. SHAYS. I'm sure our other panelists do not mind, Mr. Joseph, to give you the opportunity to testify, as the chairman of the board—you actually aren't of AmeriCorps, it's a more official title, board of directors, Corporation for National Service. And it's wonderful to have you here.

STATEMENT OF JAMES A. JOSEPH, CHAIR, BOARD OF DIRECTORS, CORPORATION FOR NATIONAL SERVICE

Mr. JOSEPH. Thank you very much, Mr. Chairman and members of the committee. My name is James A. Joseph, and I'm pleased to appear before you as chair of the board of directors of the Corporation for National Service. In addition to my volunteer role as chairman of the Corporation for National Service, I serve as president and chief executive officer of the Council on Foundations, an association of more than 1,300 grantmaking foundations and corporate giving programs, whose members hold over \$100 billion in assets, and gave away \$5.9 billion for various charitable purposes in 1993.

The members of the council come from all 50 States, and many have welcomed the formation of the corporation with open arms, and have served as enthusiastic partners, both locally and nationally. In addition to my role with the corporation, I continue to serve on the board of directors of the Points of Light Foundation, to which I was appointed by President George Bush. I worked very hard to develop and maintain the Points of Light Foundation as a nonpartisan effort to encourage Americans to engage in voluntary activities to address serious social problems.

As chair of the board of the corporation, I'm committed to the same nonpartisan approach, and welcome the opportunity to help engage Americans of all backgrounds in community-based service. Mr. Chair, I'd like to submit my full testimony for the record, and to use a very brief time to summarize four major points I would

like to offer. The first is this—national service is neither a liberal nor a conservative idea.

National service is a uniquely American idea. The 1990 bill which set up what was essentially a pilot program for national service, was proposed by a Republican President, and passed by a Democratic controlled Congress, with strong Republican support. The 1993 bill that created the Corporation for National Service also passed with bipartisan majorities in both Houses. It is a founding principle of our democracy that, when faced with war, disaster, or everyday challenges, generations of Americans come together to help one another.

My second point is that AmeriCorps promotes community partnerships. In the past, we have thought of our communities as divided among three sectors—a public sector, driven by the ballot; a private sector, driven by profit; and a voluntary sector, driven by compassion. But the functional boundaries of these sectors are becoming ambiguous, with the most productive sector for solving social problems being increasingly, what Peter Drucker has called, the fourth sector of partnerships.

And it is to this fourth sector to which the national service movement belongs. AmeriCorps is a partnership in which two-thirds of its funds go directly to the States to support locally designed and locally operated programs. AmeriCorps is a partnership with the private sector. In its first year of operation, the corporation has received hundreds of commitments from companies such as The Prudential, American Express, IBM, Monsanto, Bell South, and myriad foundations throughout the country.

AmeriCorps continues the long tradition of partnership between the Federal Government and local charities trying to meet the human needs of our society. What is often overlooked in the new focus on the capacity of the charitable sector is the fact that the charities today receive about 30 percent of their revenues from government sources. And I might add, parenthetically, in looking at those statistics, that's been true for a long period—for more than two decades.

Third, AmeriCorps promotes volunteerism. And I'm going to make that point very carefully and clearly. The percentage of citizens able to volunteer their time for charitable causes has been declining since 1989. I have a copy of a press release from Independent Sector, which was referred to earlier, and I want to read what that press release says: "Volunteering among American adults has declined steadily from 1989 to 1993."

Let me also quote from an article in the *Journal of the National Endowment for Democracy*, by George Putnam, in which he reports on a general survey of civic engagement. And he reports that volunteering for Boy Scouts was off by 26 percent, since 1970; for the Red Cross, was off by 61 percent since 1970; the membership in the Jaycees was off 44 percent, since 1979; membership in the Shriners was off 27 percent, since 1979; membership in the Elks was off 18 percent, since 1979.

I think the point is clear. AmeriCorps projects make it easy and attractive for citizens to participate in an occasional, but meaningful, volunteer experience. Just down the street, at George Washington University, AmeriCorps members are mobilizing an extraor-

dinary number of new volunteers at a time when volunteering is declining. Ten AmeriCorps members at GW generate 1,000 volunteers, and over 50,000 community service hours in the Shaw neighborhood.

This story is repeated in some form in community after community across the country, where local citizens of all ages are making a difference in solving some social problem and meeting some social need. My fourth point, AmeriCorps supports core values. AmeriCorps is the embodiment of values and ideals that are fundamental to our self-understanding as Americans.

In a world where values and morals seem relics of an earlier, more innocent age, and parents and prognosticators alike call for rebirth of citizenship and civic ethic to rebuild the tattered cords that bind us together, in that world, AmeriCorps promotes core American values of community, opportunity and responsibility. Mr. Chairman, the notion of providing an incentive for serving our neighbors is neither new nor is it novel. It is as old as the charitable deduction, which is one of the oldest incentives in the tax code for serving and meeting the needs of neighbors.

One of the most important features of AmeriCorps is that it is open to all Americans. Roughly half of its members are Caucasians; about a third, African-Americans; 14 percent, Hispanics; 3 percent, Asian Pacific Islanders; and 2 percent Native Americans. Most members come from working families, with a median income around \$30,000, while some are much less well-off; a few are better off. But our society gains when they, from all spectrums of society, from all walks of life, across lines of race and religion, learn to count on each other; to work together; to get things done.

Ms. Bloom's son, who will testify later, knew, in that split second in Oklahoma City, that it was his moral duty to risk life and limb to help others in need. Our society will only move forward if we each take responsibility for our own actions, and in doing so, inspire others to follow us. AmeriCorps is creating leaders for the next generation, and laying the groundwork for a more civil society.

It is making a difference in the lives of many, while at the same time promoting what Alexis de Tocqueville, that often quoted, but least read of our literary legacies—[laughter]—described as the "habits of the heart" of the American people. Mr. Chairman, I look forward to working with you and this subcommittee in the years ahead, and will be available whenever you deem it useful.

[The prepared statement of Mr. Joseph follows:]

PREPARED STATEMENT OF JAMES A. JOSEPH, CHAIR, BOARD OF DIRECTORS,
CORPORATION FOR NATIONAL SERVICE

Mr. Chairman and members of the Committee, my name is James A. Joseph and I am pleased to appear before you today as Chairman of the Board of Directors of the Corporation for National Service. I am here to register my strong support of the national service movement and the Corporation for National Service.

In addition to my volunteer role as Chairman of the Corporation for National Service, I serve as President and Chief Executive Officer of the Council on Foundations, an association of more than 1,300 grantmaking foundations and corporate giving programs whose members hold over \$100 billion in assets and gave away \$5.9 billion for various charitable purposes in 1993, the last year of record. Council members come from all fifty states and are engaged in a wide variety of efforts to protect the environment, enhance the quality of education, improve public safety and meet human needs. We have welcomed the formation of the Corporation with open arms, and have served as enthusiastic partners, both locally and nationally.

In addition to my role with the Corporation, I continue to serve on the Board of the Directors of the Points of Light Foundation, to which I was appointed by President George Bush. I worked very hard to develop and maintain the Points of Light Foundation as a non-partisan effort to encourage Americans to engage in voluntary activities to address serious social problems. I am committed to the same non-partisan approach by the Corporation and welcome the opportunity to help engage Americans of all backgrounds in community-based service.

1. SERVICE IS BEYOND POLITICS

As Americans debate the social role of a benevolent government and the public role of a benevolent people, it is important for us to remember that national service is neither liberal nor conservative, but uniquely American. The 1990 bill, which set up what was essentially a pilot program for national service, was proposed by a Republican President and passed by a Democratic-controlled Congress with strong Republican support, including that of the current Senate Majority Leader. As a founding Director of the Points of Light Foundation, I oversaw this establishment of a federal role in national service—one that provides a supportive infrastructure for service.

The 1993 bill that created the Corporation for National Service also passed with bipartisan majorities in both houses. This bill folded and downsized several entities into one, to create an integrated support system for all ages of volunteers. It also created AmeriCorps.

National Service should continue to be nonpolitical. It is a founding principle of our democracy. When faced with war, disaster, or everyday challenges, generations of Americans come together to help one another.

2. AMERICORPS PROMOTES COMMUNITY PARTNERSHIPS

In the past we have thought of our communities as divided among three sectors: a public sector driven by the ballot; a private sector driven by profit and a voluntary sector driven by compassion. But the functional boundaries of community are becoming ambiguous with the most productive sector for solving social problems being increasingly the fourth sector of partnerships. And it is this fourth sector to which the national service movement belongs.

AmeriCorps is a partnership in which two-thirds of its funds go directly to the states to support locally designed and locally operated programs.

AmeriCorps is also a partnership in which private investment has been remarkable. In its first year of operation, the Corporation has received hundreds of commitments from companies such as the Prudential, American Express, IBM, Monsanto, BellSouth and myriad foundations throughout the country.

And why is the private sector investing so much in the national service movement? Mostly because they have seen AmeriCorps members already making a difference in public safety, education, the environment and human needs. Equally as important, the private sector is willing to risk this investment in community organizations and AmeriCorps members because government, through the Corporation for National Service, serves as venture capitalist, equity partner and quality control officer.

We have heard from some that AmeriCorps may be a nice idea, and that it may get things done, but the federal government has no place in filling this role. But the federal government has long been a partner with charities trying to meet the human needs of our society. Charities today receive about 30 percent of their revenues from government sources. As you go about the job of reforming and reinventing federal government, you must ask yourselves, "is there a more efficient way to fill the gap we may leave?" Nowhere has this consideration caused more trepidation than on the front lines—in the world of nonprofit charities.

3. AMERICORPS PROMOTES VOLUNTARISM

There is a reason why most nonprofit charitable organizations welcomed AmeriCorps into the fold of service. As Independent Sector reports, the percentage of citizens able to volunteer their time for charitable causes has declined since 1989. Many families are working harder and harder to get by—in recent years there has been an undeniable increase in the number of families who require two- and even three-wage-earners to survive—and when they can find the time, they want to know that it will be well-spent. It's a simple, unfortunate equation of modern life: people have less time to give—so they give less of their time.

Can we count on a spontaneous outpouring of voluntarism? Not unless there is an infrastructure that encourages it, recruits citizens, puts them to work on substantive projects with the right training, supplies and equipment. That infrastruc-

ture must keep the project going during the lull periods. That infrastructure must be a nucleus for occasional, uncompensated volunteers while it supports full-time service. That infrastructure must be lean, with decisions made at the grassroots levels. Outcomes must be measured instead of inches of paperwork. Quality must be assured by layers of competition, not crushed by layers of bureaucracy.

AmeriCorps projects make it easy and attractive for citizens to participate in an occasional, but meaningful volunteer experience. Just down the street at George Washington University, AmeriCorps members are mobilizing an extraordinary number of new volunteers at a time when volunteering has been declining. Ten AmeriCorps members at GW generate 1,000 volunteers and over 50,000 community service hours in the Shaw neighborhood.

That story is repeated in some form in community after community across the country where local citizens of all ages are making a difference in solving some social problem or meeting some social need. They are patriots who are willing to dirty their hands and serve their communities rather than simply stand on the sidelines and watch them balkanize and deteriorate.

4. AMERICORPS SUPPORTS CORE VALUES

I believe that AmeriCorps is the embodiment of two ideas that are fundamental to our self-understanding as Americans.

The first idea is that of a good society, the notion that a truly benevolent community depends as much on the goodness of individuals as it does on the soundness of government and the fairness of laws. The second is the idea of a transforming society, the notion that when neighbors help neighbors, and even when strangers help strangers, both those who help and those who are helped are transformed. Serving others provides a new perspective, a new way of seeing ourselves, a new understanding of the purpose of the human journey. People everywhere are finding out that when that which was their problem becomes our problem, the transaction transforms what was a mere relationship into new centers of meaning and belonging.

In a world where values and morals seem relics of an earlier, more innocent age, and parents and prognosticators alike call for a rebirth of citizenship and civic ethic to rebuild the tattered cords that bind us together, AmeriCorps promotes core American values of community, opportunity and responsibility.

There is talk about the fact that AmeriCorps members—like Community Conservation Corps members, like Peace Corps volunteers, like members of the volunteer army earn a living stipend and an education award upon completion of a year of service. Do we have to invest something to get something back? Sure. Father Theodore Hesburgh, president emeritus of the University of Notre Dame, says that “those of us in religious orders take a vow of poverty. Citizens need only take a vow of service.” It is an American axiom that those who extend a helping hand deserve a helping hand—and there is no better investment than education. I submit Father Hesburgh’s statement for the record.

The notion of providing an incentive for serving our neighbors is neither new nor novel. Like the charitable deduction, a small stipend for community service increases the private resources made available to serve a public good. In community after community, ordinary Americans are joining AmeriCorps to do extraordinary things.

When we ask what are the implications of this idea of civic virtues for the AmeriCorps program, I would argue that they promote community vitality, helping people to take matters into their own hands; not as a substitute for the legitimate social role of government, but as a vehicle for self-help, an important alternative to the governmental process. Secondly, they build on community values, recognizing that no one group in our society has a monopoly on such virtues as self-discipline, hard work, honesty, responsibility and the desire to create a better life for themselves and their children. And thirdly, they help build and reflect community vision, empowering people to dream their own dreams and to take responsibility for making them a reality.

The old civic virtues are giving rise to a new civic culture in which communities must now find social cohesion and social solidarity from something other than a common race, a common religion or even a common culture. Through national service, many Americans, young and old, from small towns and large cities, are coming to realize that diversity need not divide, that the fear of difference is a fear of the future, that pluralism rightly practiced and rightly understood is a benefit, not a burden.

One of the most important features of AmeriCorps is that it is open to all Americans. While most members come from working families with a median income

around \$30,000, some are much less well-off; a few are better off. But our society gains when they—from all spectrums of society, from all walks of life, across lines of race and religion—learn to count on each other, to work together to get things done.

Mrs. Bloom's son knew, in that split second in Oklahoma City, that it was his moral duty to risk life and limb to help others in need. Our society will only move forward if we each take responsibility for our own actions, and in doing so, inspire others to follow us. AmeriCorps is creating leaders for the next generation, and laying the ground work for a more civil society.

Mr. Chairman, I have a long personal history of involvement in community service and I am here today to bear witness to the critical importance of AmeriCorps and the Corporation for National Service. The proposed budget is reasonable and prudent and the American people are enthusiastic about continuing to implement the provisions of the National Service Trust Act of 1993.

I look forward to working with this subcommittee in the years ahead and will be available to you whenever you deem it useful.

PREPARED STATEMENT OF REV. THEODORE M. HESBURGH, PRESIDENT EMERITUS,
UNIVERSITY OF NOTRE DAME

Chairman Shays and Members of the Subcommittee, I am grateful for this opportunity to testify in support of AmeriCorps. As one who believes deeply in the importance and great potential of national service, I hope that members of Congress will put politics aside in considering the future of AmeriCorps. I strongly urge that you retain bipartisan support for service and not back away from a program that invests in American values, promotes citizenship and enables people to work together and solve their communities' problems.

Perhaps no concept so permeates the history of our nation nor captures the essence of our religious and ethical tradition as does service. I have seen many types of national service, from the CCC in which I served as chaplain from 1940 to '41; to the Peace Corps, in whose heady earliest days Notre Dame played a part; to the bipartisan Commission I co-chaired in 1979, which recommended a new national service initiative; and to AmeriCorps, the latest and best conceived movement for national service. In the debate about AmeriCorps facts sometimes seem to get lost, and that is unfortunate—not just for the 20,000 Americans new Members of AmeriCorps, nor only for the hundreds of thousands more Americans interested in joining it, but for the thousands of communities around the country that AmeriCorps has reached and the thousands more that need its touch.

That is where the real AmeriCorps begins—in local communities. It works in our biggest cities, like New York, where the New York Police Department reports that recreation areas policed by AmeriCorps Members in a 1994 pilot program were free of assaults for the first time in years. Or in Kansas City, Mo., where AmeriCorps Members shut down crack houses and build programs that give youth alternatives to drugs and gangs.

And AmeriCorps works in smaller cities and tiny rural hamlets too. Notre Dame has seen AmeriCorps' value. That's why it joined, fielding 40 extraordinary college graduates who teach in South Bend schools in the summers and in 30 severely strapped schools in four southern states during the school year. The principals say these AmeriCorps Members are "on a mission," and their spirit and commitment have enriched their students' lives and re-energized their fellow teachers. Those students wouldn't make it without the AmeriCorps Members—and the 40 Members couldn't live out their commitment without AmeriCorps.

AmeriCorps is guided by a corporation (the Corporation for National Service), but it has also moved most of the decision-making closest to problems by giving authority and responsibility to the states and by having programs operated by local nonprofits. AmeriCorps is funded by Congress, but it requires local companies and foundations to foot a substantial part of the bill. And AmeriCorps is run like a smart, lean business, monitored by a private sector board and wedded to competition, not politics, as the method by which grants go out and participants join up.

Some wonder whether the \$600 a month AmeriCorps members earn as a living allowance, and the \$4,725 scholarship or student loan repayment they can earn through a full year's service, destroy the spirit of service. It hasn't done so in the Peace Corps. It hasn't in the many youth and service corps that started up in the 1980s here at home. And it hasn't in AmeriCorps. Those of us in religious orders take a vow of poverty. Citizens need only take a vow of responsibility. AmeriCorps does demand sacrifice from its Members. And for those who answer the challenge,

it provides not only the opportunity to pay for college, but the higher gift of making a difference, and the lifelong satisfaction of building community.

If we are to recapture basic values that our history and religion teach, we must make the challenge of service accessible to more than those who can afford to take a year off. And if we wish to reclaim our communities from the danger of crime, the decline in education, the decay of our environment, the demoralization of our homeless, then we know that more trained, focused help is needed. That, too, is what AmeriCorps is. Our church has always called parishioners to aid those in need, and Americans of all faiths have been the most generous people on earth. But more is needed. Week-end volunteers return to their jobs Monday morning, as do parents to their children, and the clergy to their congregations. AmeriCorps is designed to make the most out of what each American can give in time and talent. That is why 350 organizations that have always made service their mission—from Notre Dame to the Red Cross to Habitat for Humanity to the YMCA—have proudly joined the AmeriCorps network.

Sixteen years ago our Commission concluded that service was critical to the education and development of young Americans for adult lives of productive work and good citizenship. National Service was a non-partisan idea then, as it was when President Bush signed a national service law in 1990. It was a non-partisan idea when Congress created AmeriCorps, as it was when the first AmeriCorps Members began serving last fall. It should be free from political gamesmanship now and given a chance to succeed. Values matter, now more than ever. Let AmeriCorps help nourish the roots of citizenship, so that all our American dreams can flower.

Mr. SHAYS. Mr. Joseph, I understand you have another engagement.

Mr. JOSEPH. I will answer questions, if you'd like.

Mr. SHAYS. OK. But I would want to just see if any member does have a question, before we proceed. And if we don't, then you're free to go. Is there any question you'd like to ask the chairman?

Mr. FATTAH. No, I'd just like to commend the chairman for his fine work not just in relationship to AmeriCorps and the National Service Corp., but the Points of Light Foundation, and your work with the Council of Foundations. You are a true treasure here in our country, and we want to thank you for your willingness to serve others. Thank you.

Mr. JOSEPH. Thank you very much, sir.

Mrs. MORELLA. I add my thanks, too. Your testimony was splendid.

Mr. JOSEPH. Thank you very much, Congresswoman.

Mr. SHAYS. Thank you very much. Have a nice afternoon.

Mr. JOSEPH. Thank you.

Mr. SHAYS. And Miss Bloom, I'm going to have you sit in the middle there. And I'm tempted to say a rose between two thorns, but I won't say it. I did say it. I lied under oath. I have this order—John Timoney, and am I saying it correctly?

Mr. TIMONEY. Timoney, yes.

Mr. SHAYS. Timoney. And you are the first deputy commissioner, New York City Police Department. And then I'm going to ask Philip Wu, AmeriCorps member from Habitat for Humanity to be second. And then I'll ask Jeanie Bloom, parent of an Oklahoma AmeriCorps participant. And I welcome all your testimony. Thank you. Commissioner.

STATEMENT OF JOHN TIMONEY, FIRST DEPUTY COMMISSIONER, NEW YORK CITY POLICE DEPARTMENT

Mr. TIMONEY. Good afternoon, Mr. Chairman and members of the committee. And by the way, you didn't lie under oath, I do look like a thorn. I have provided the committee with written testimony,

and I would just like to take about 2 or 3 minutes to highlight that testimony.

Mr. SHAYS. That would be appreciated, thank you.

Mr. TIMONEY. Great. Let me first tell you how the AmeriCorps cadet program works in the New York City Police Department. The program began in June 1994, with 97 young men and women. And they've been assigned to 15 high-need precincts throughout New York City. They attend John Jay College 1 day a week, for specialized training. The program produces dedicated college graduates who enter the police department with a proven track record and commitment to community service.

We have found that this program is the best way to ensure that those who serve New York City closely mirror our diverse city. This diversity has positively contributed to the program's success in problem solving and crime prevention in a wide variety of New York City neighborhoods. We believe so strongly in the value of this program, that we would like to model our entire cadet program based on this program. As a matter of fact, I am such a fan of this program because it mirrors, somewhat, a program that I entered in 1967, upon leaving high school—the police training program.

And I spent 2½ years as a police trainee before becoming a full-fledged police officer, and then rising through the ranks to a four-star chief, and now as the first deputy police commissioner, which is the second in the command of the 45,000 strong NYPD. But the AmeriCorps cadets have benefits that I didn't have as a police trainee. In addition to attending college, AmeriCorps cadets learn the value of community service.

This experience not only makes them better police officers, but better citizens as well. The cadets have made a noticeable impact on the quality of life in New York City. Their presence has helped reduce assaults in parks and other public spaces, and the cadets have also helped to reduce violence through participating in conflict resolution and other educational programs about violence prevention. Let me just give you some of the examples.

In Manhattan, the cadets have been involved with at least 250 merchants and businessmen in the midtown, north Hell's Kitchen area, giving lectures on the department's vandalism prevention programs; and also particularly with the bars in the midtown area, on sale of alcohol to minors. The cadets have also participated in Operation Safe Corridor, which provides safety routes to and from school for some of the—particularly vulnerable high school students within New York City.

These efforts have helped alleviate the potential for criminal activity in the area surrounding a total of 17 high schools in New York. The cadets' participation in Operation Safe Corridor has resulted in enhancing communication between the cadets and the students. Many of the students feel more comfortable talking with the cadets, as opposed to a full-fledged police officer. For example, recently, information was received regarding an imminent gang fight. The cadets were able to safely request the appropriate response from the nearby precinct. And this helped alleviate and prevent a very explosive incident that probably would have occurred.

In the Bronx, the cadets in that borough are working close with the local precinct's youth officers in a very effective truancy pro-

gram, which received a great deal of coverage last year, and has been lauded as a great success, particularly by the parents of these children that had never gotten notification of these kids being involved in truancy. And now, we notify them immediately; it's reduced our truancy problem. It's also reduced crime committed by kids during school hours, particularly against other kids, by fully 33 percent.

In Brooklyn, the cadets have been involved in a unique program trying to help us out in auto crime identification. They have studied well over 2,000 or 3,000 auto larcenies, and studied the locations where many of these cars—1,700 of them—were recovered, and have developed the crime pattern and hot spots which have been used with great effect by the local precinct officers. Also in Brooklyn, in the 72nd precinct, the Sunset Park area, the cadets have been involved and have identified six gang-prone locations.

The cadets are also present in the 72nd precinct at two, I guess you would call them, highly volatile high schools that have had gang problems, gang recruiting problems in the past. And they've been a huge reassurance to the parents that attend these two particular high schools. In Queens, and also in Staten Island, the two outer boroughs that suffer probably the most from auto larceny, the cadets have been involved in many auto larceny prevention programs, such as the one in Brooklyn; but also in VIN etching. VIN etching is where we get the vehicle identification number, the VIN number, and etch it to a stencil on parts of the car that are readily stolen, particularly the windshield.

That's one program. The other program—they've signed up over 900 people in our Combat Auto Theft program, which is a decal that, if it's affixed to a car, it allows the police officer to stop the car for no reason. Because the occupant of the auto, by having this decal affixed, has passively given police officers approval to stop them without probable cause, particularly during the early hours of the morning, late hours of night.

These are just a few examples of the tremendous and important work done by our cadets. We consider the AmeriCorps community policing program a model for the Nation. In fact, many big city police departments have contacted us to learn more about our successful program. We were proud to describe the AmeriCorps program to police executives from around the country at a recent International Association of Chiefs of Police conference, held in Houston.

The New York City AmeriCorps cadets have made a noticeable impact on crime and the fear of crime in New York City. Our experience with the cadet program has been extremely positive. And on the way down on the plane, I have here about 100, 150 letters from principals, business leaders, some civic leaders, even local politicians, regarding their impressions of this program. And it's very positive. It is not a pseudo-welfare program or some way around of giving kids a stipend for college.

It's a real, live program that teaches kids the importance of community service. And the thing which should not be underestimated is the role model that these men and women, boys and girls, really, provide to their peers just maybe a year or two younger at the junior and seniors in high school. Again, I take this opportunity to

thank you. The New York City Police Department wholeheartedly supports this program, and we think other departments throughout the Nation should follow our lead. Thank you, Mr. Chairman.

[The prepared statement of Mr. Timoney follows:]

PREPARED STATEMENT OF JOHN TIMONEY, FIRST DEPUTY COMMISSIONER, NEW YORK CITY POLICE DEPARTMENT

Mr. Chairman and Members of the Committee, I thank you for the opportunity to testify before you today.

First let me tell you how the AmeriCorps Cadet program works in New York City. The NYPD National Service Police Cadet Program consists of 97 AmeriCorps Members who attend college and work part-time during the school year and full-time during the summer in cadet teams in 15 participating police precincts throughout New York City. AmeriCorps Cadets are paid a salary and provided an educational stipend.

AmeriCorps Cadets engage in community policing projects in selected high-need police precincts in New York City. AmeriCorps Members also attend an internship clinic conducted by faculty members of the John Jay College of Criminal Justice and New York City Police Department officer trainers to develop creative problem-solving strategies that will contribute to reducing crime and fear of crime in New York City. AmeriCorps Cadets are dedicated to addressing the public safety priorities and neighborhood concerns raised in each community they serve. As an added benefit, this program produces dedicated college graduates who enter the Police Department with a proven track record and commitment to community service.

More than providing the Department with a diverse group of police officer candidates, we have found that this program is the best way to ensure that those who serve the citizens of New York City closely mirror the many diverse communities within the city. This diversity has contributed to their success in problem-solving and crime prevention in a wide variety of New York City communities.

AmeriCorps Cadets are required to be city residents who attend four-year colleges in New York City or in two adjoining counties. They must pass an arduous six-month process of orientation and medical, psychological and character screening. This is the same process that is required of every candidate for New York City police officer.

Specifically, AmeriCorps Cadets have had a noticeable impact on the quality of life and fear of crime in the 15 participating police precincts as evidenced by the following examples of their successes. These vignettes demonstrate a portion of the substantive work performed by the Cadets:

MANHATTAN

In the Midtown North Precinct covering the Times Square/Clinton area (known as Hell's Kitchen) AmeriCorps Cadets contacted over 250 merchants in the midtown area to inform them of the Department's programs to deter vandalism and the sale of alcohol to minors, persistent problems identified by community members and to make the streets safer for vehicles and pedestrians.

To enhance student safety to and from school, the AmeriCorps Cadet team worked with other local groups in Operation Safe Corridor. This project establishes a route for students to traverse when traveling to and from school. AmeriCorps Cadets helped to coordinate the staggering of dismissal times and to arrange transportation to ease congestion and to alleviate the potential for criminal activity and disorder in areas surrounding 17 New York City public schools.

One by-product of Operation Safe Corridor has been an opening of lines of communication between the AmeriCorps members and students. Since both groups are relatively young, many students feel comfortable talking with the AmeriCorps Cadets. For example, information was recently received to prevent an imminent gang fight. AmeriCorps Cadets, although not permitted to intervene in any potential criminal situation, were equipped with radios, and were able to safely request appropriate assistance.

In the 34th Precinct encompassing Washington Heights in Manhattan, AmeriCorps Cadets worked with the Community Policing Unit to identify problems, concerns and crime trends that especially affect senior citizens and youth. They also produced pin maps to assist police officers in identifying crime trends. AmeriCorps members developed programs including a Safe Corridor for 200 senior citizens, activities for approximately 70 teenagers and after-school programs for 50 six-year-olds which have improved communication between the Police Department and these groups.

THE BRONX

In the 43rd Precinct in The Bronx, AmeriCorps Cadets worked in cooperation with Youth Officers to prevent truancy by escorting students to and from school. They presented motivational speeches to groups of high-school students hoping to keep them in school, deter youth violence and discourage drug use.

BROOKLYN

In the 63rd Precinct in Brooklyn, AmeriCorps Cadets addressed crime patterns concerning auto theft and burglary. AmeriCorps members reviewed over 2,000 stolen vehicle complaints, 1,300 reports of recovered vehicles and 700 burglary complaints. They also prepared pin maps to assist police officers in identifying crime trends. Information was forwarded to the Auto Crime Division and the Detective Squad for further investigation.

AmeriCorps Cadets also marked 300 vehicles with the Vehicle Identification Numbers and enrolled 225 in the Combat Auto Theft decal program. AmeriCorps members lectured on burglary prevention to community groups at Crime Prevention Seminars and conducted Crime Prevention Surveys of 75 merchants to determine the reliability of burglar alarms.

The AmeriCorps Cadets' presence at community meetings and Crime Prevention Seminars reinforced citizens' positive perceptions of a Police Department dedicated to addressing community problems.

AmeriCorps Cadets were very active in gathering information on youth gangs and have identified six gang-prone locations in the 72nd Precinct in the Sunset Park section of Brooklyn. AmeriCorps members reviewed all crime reports originating from these locations in order to assess gang activity.

AmeriCorps Cadets were also present at two local schools at dismissal time to deter gangs from recruiting near the schools and have appeared before two community groups to discuss gang-related crime issues.

Parents of school children in this precinct appreciate the efforts of the AmeriCorps Cadets to deter gang recruiting. Parents feel that AmeriCorps members are more approachable than police officers to area youth. These youth are more willing to talk to AmeriCorps Cadets. This makes AmeriCorps members an important source of information for community policing officers and a resource for community youth.

QUEENS

In the 105th and 113th Precincts in Queens AmeriCorps Cadets have been involved in programs linked to the Department's auto theft reduction crime control strategy. In many of the more residential precincts in the city, auto theft is one of the primary concerns cited by residents. AmeriCorps Cadets have analyzed stolen vehicle complaint reports and locations where stolen vehicles were recovered in order to produce pin maps to strategically deploy precinct personnel to address this problem. AmeriCorps Cadets have aided the Department's auto theft prevention efforts by enrolling over 900 vehicles in the Vehicle Identification Number etching program and 160 vehicles in the Combat Auto Theft decal program.

STATEN ISLAND

In the 120th Precinct in Staten Island AmeriCorps Cadets visited the Camelot Detention Center and the Vanderbilt Avenue Foundling Hospital's teen delinquent home and discussed perceptions of the police with 100 teenagers. AmeriCorps Cadets later returned to the Camelot Detention Center and conducted a focus group and survey of 15 teens to discuss the problems confronting them. AmeriCorps members conducted an additional nine focus groups involving 54 teenagers at several community centers and attended two meetings each month with high-school students from the precinct's Police Explorers program to discuss the young people's pressures, such as drugs and alcohol.

AmeriCorps Cadets have also VIN-etched over 450 vehicles at Staten Island Borough President Guy Molinari's Crime Prevention Forums.

Approximately 200 community members were contacted in order to survey their concerns about teenage problems and alcohol abuse in the area. The problems of young people are a high priority issue in this precinct. The efforts of AmeriCorps Cadets to discuss the concerns of teenagers at focus groups and meetings in the community helped to open up lines of communication between young people and adults.

These are just a few examples of the tremendous and important work AmeriCorps Cadets do in New York City. We consider our AmeriCorps Community Policing Program a model for the nation. In fact many big city police departments have con-

tacted us to learn more about this successful program. We were proud to describe the AmeriCorps program to police executives from around the country when they met recently in Houston at the Annual International Association of Chiefs of Police Conference.

The New York City AmeriCorps Cadets have had a noticeable impact on crime and fear of crime in New York City. Our experience with the AmeriCorps program has been extremely positive. This program is an investment in young people which provides an enormous benefit to all who live and work in New York City.

The NYPD wholeheartedly supports AmeriCorps and hopes this program will continue to be funded and supported for many years to come.

Mr. SHAYS. I thank you, Commissioner. Both of our next two witnesses have very short testimonies, and you're more than welcome to read it, or you're more than welcome to just speak from the heart, whichever. Your testimony is from the heart as well, so you have your options. It's rare when I have someone who comes and testifies with a one-page statement. Mr. Wu.

STATEMENT OF PHILLIP WU, JR., MEMBER, AMERICORPS

Mr. WU. Yes, sir. Thank you very much for having me here today. As you know, my name is Phillip Wu, and I'm a Miami Habitat-er. I'm a construction site supervisor. And just some of the questions that I'd like to say, divert from this, is that when the volunteers come out and they see an organized leadership and they see people in place, ready to put them into action, and there's no standing around, and there's no, well, we're going to rake and we're going to do this today, it's like they feel a whole lot more comfortable about what they're doing.

And their work is a whole lot more effective when they see that they have organized leadership in place and ready to get the job done. Some of the things I'd like to tell you about—

Mr. SHAYS. If AmeriCorps was smart, they would take that statement and spread it around the world.

Mr. WU. I served my country as a communications sergeant for 4 years, so I'm a veteran. And I went to school under the GI bill, though I didn't finish. I'm also a Christian, and I converted my life 2½ years ago to serve God. So God filled me with a spirit to serve. But it was Habitat and AmeriCorps that gave me the skill to do it and the expertise. See, it allowed me to put my faith into action in my community.

When I first joined AmeriCorps, I knew it was right. We led over 5,000 volunteers over the last 6 months, building 31 houses. We also framed another 40 houses. That's 31 families that were personally affected for generations to come, moving right into the houses; and another 40 that are near completion by the end of the year, according to how finances run with Habitat. But they're there, and the families are working side by side. So it brings the community a whole lot closer together.

The students that came down during Collegiate Challenge—it was an alternative spring break, and they came down over the last 2 months—were 1,500 in total. And the way we interacted, by building the houses and putting their volunteer experience to the fullest potential, we framed another 41 houses and also completed another 15 to where they're at the stage where they're just toward the inspection stages.

When I first saw—the first day I worked on Lilliana's house, who's my homeowner in Miami, FL, you can't put into words the

emotion that was felt by all there that day, when she saw a home that she was going to own, and she saw them first walls go up. And I personally know, I heard about the Georgia Peach, and I know them personally. We just came from Americus, GA, where we built 10 homes. Over 200 AmeriCorps workers built 10 homes in the last 5 days.

I just returned Sunday from that. And I was personally supervising, and a crew leader for many of the Georgia Peach AmeriCorps members that worked from 7 a.m. to 9 p.m., that's sun up to sun down, to make sure that those families could be in that house by the end of that week. We built 10 homes in 5 days. And those are AmeriCorps workers. And that's not a skill that you can just go out there and do.

That's something you have to know, be prepared, be trained, and be ready to do; and take those volunteers and just crew-lead those volunteers into a specific task. And so it's not something that—it's easy for me to come up here because it's real for me. And it's something that's really happening in our lives. And I have an opportunity in Miami to see hundreds of volunteers come in, and I have never once heard an objection to seeing that AmeriCorps, we shouldn't be paid.

They know that we're out there, doing a job, when they can't be there. And the average volunteer only comes out every other month. But we're there, completing the job. And they're like, hey, we can't be out there; and I'm glad to see that someone else can be there while we're not here. And when they do come, they know that they're ready for a specific task—to get the fullest—the maximum potential out of their experience. So it's something that's real in my life.

I can't put into words how I win, because I got a skill. Six months ago, I didn't have a skill to build homes; and now I have a skill. Habitat has encouraged me to not only learn, but to lead, direct. It's given me purpose. I see that I can be able to work with youngsters.

And I want to be able to turn around and say, hey, I learned how to build homes; I can teach you how to do that. My community wins because it pulls us all together. We're building a 90-home community; and it's a site where everyone's working together.

Not everyone is going to be able—not any element is going to come into that community and do what it wants to do. People have worked months upon months, blood, sweat and tears, in that community. I'm there; I'm part of Miami. They know my face. Community wins; Habitat wins because they get a skilled leader. It's just an all-around good thing that's going on. And I would hate to see it not given the opportunity.

So I guess that's really all that I have to say. I'm just asking for the opportunity. It brings a lot of hope for us young persons. I've met thousands of college students that say, hey, I like AmeriCorps; it brings hope, and that's hope for the future. And that's all that I can ask for. I thank you again for inviting me.

[The prepared statement of Mr. Wu follows:]

PREPARED STATEMENT OF PHILLIP WU, JR., MEMBER, AMERICORPS

I served as a communications specialist in the U.S. Army for four years. I went to school on my GI Bill, but didn't finish. Two and a half years ago, I converted my life to Christianity. I now serve as a minister of the Gospel of Christ to troubled youth and homeless people in Miami. God gave me the mind and the heart to serve. Habitat for Humanity and AmeriCorps have given me the skill and expertise.

When I first joined AmeriCorps, I knew it was right. But I never imagined it would lead me to the experience I'm having. The 23 AmeriCorps Members in Miami have built 31 houses and 40 more are completely framed. We'll finish 90 homes this year.

In addition to that, we provide leadership for over 1,500 student volunteers. In February, college students take their spring break to help Habitat build homes. But they would not be able to do it without AmeriCorps, because many are unskilled and those that are skilled are not familiar with the strict coding in South Miami.

I'll never forget my first day on Lilliana's house, the first house I led all by myself, from dirt to finish. I became good friends with her, and with Vicki and Ruth and so many other people I've worked with in AmeriCorps. Just last week, several hundred AmeriCorps Members put all our skills together to build 10 homes in 5 days in Americus, Georgia. Seeing Isaiah, my homeowner in Americus, shed tears as the walls went up reminded me of Lilliana and confirmed that what I am doing in Miami is right.

In AmeriCorps, everybody wins. I win because I get a clear and concrete skill, I get a direction and purpose, a chance to earn a living, and when I'm done serving, a chance to go to college, a hope for a better life. Habitat wins because they're getting a trained, skilled leader to help them use their volunteers better. Lilliana wins because she's getting a solid home for herself and her two kids. And the community wins because it gets closer from everybody working together.

I see AmeriCorps bridging a gap between the young people who want to be a part of this nation and contribute to society yet can't find a way to fit in and a society which is in need of skilled leadership in all areas. I can only serve in AmeriCorps for two years. But the skill and the awareness and bringing people together . . . I'll always keep that throughout my life.

Mr. SHAYS. You hit a home run.

Mr. WU. Thank you.

Mr. SHAYS. Ms. Bloom.

STATEMENT OF EUGENIA BLOOM

Mrs. BLOOM. Thank you, Mr. Chairman, for inviting me here. My name is Jeanie Bloom, and my son, Brent Bloom, was born and raised in Tulsa and Bartlesville, OK. Last year, he decided to take a year off of school to serve in AmeriCorps-VISTA. That's why, on April 19, when the bomb exploded in the Murrah Federal Building in Oklahoma City, my son was one of the first people into the building to help.

Brent was at his service site, which is REST, a day center for homeless people, when he heard the deafening explosion a few blocks away. He and his AmeriCorps teammates immediately drove over to help. Brent told the people on the scene that he was trained in CPR and first aid, and he led his team members and other volunteers through a maze of melted cars and smoke into the building, to help get victims out and emergency medical help in. He tells me that there was glass, debris and blood everywhere.

He worked until 2 a.m. the next morning, helping to set up the nearby medical stations, carrying supplies for FEMA and the FBI, and working with the Feed the Children program, also Salvation Army and American Red Cross. And I might add, that on the day of the memorial services, many of the AmeriCorps workers, including Brent, were out helping with the families, with the traffic, handing out American Red Cross brochures, thank you notes for blood donations, and et cetera.

As in any disaster, a lot of people showed up to help in those first few days. But a week later, many of those volunteers were gone because they had to go back to work, to their homes, and their families. But Brent and many of his AmeriCorps teammates are still there. In fact, I talked with Brent before I flew in to Washington, DC. And he and many AmeriCorps workers were in the Oklahoma City area, picking up debris in a six-block area.

And, of course, that was some of the later things they were concerned about. But they are now there doing those types of things. They are still working with Feed the Children, getting local businesses to supply food and water for the victims, and also making sure that donations from the other volunteer agencies are getting to the people that really need them. They're not going to leave the site until the work is all done.

Brent is carrying on the tradition of service in our family that started when his grandfather joined the Civilian Conservation Corps, during the Great Depression. Our country is still benefiting from the work the CCC did—the roads and bridges and the trails. And we're watching it happen again today. Because what Brent is doing is just a minute part of what AmeriCorps is doing across our country.

AmeriCorps is also benefiting the people who serve. It seems like we saved forever for Brent's education. But the money ran out quickly. Brent could not go back to college next year without his AmeriCorps education award. AmeriCorps is giving Brent the opportunity to give back to his community, and to get the experience he wouldn't have gotten anywhere else.

It's giving him the time that he really needs to make good decisions about his future. And it's giving him help paying for his college. But beyond the tangible achievements of national service, these programs strengthen the character of American citizens. I'm not going to tell you that Brent was a bad kid and AmeriCorps has made him good. Because—

Mr. SHAYS. But was he?

Mrs. BLOOM. Wait and see. My son has always been a good person. But Brent's experience in AmeriCorps has made him into a leader.

Mr. SHAYS. OK, fair enough.

Mrs. BLOOM. It's made him the kind of person who walks into a place of desperate need, instead of walking away from it; the kind of person who stays with a problem until it's solved. AmeriCorps has taught Brent that, in exchange for the opportunities he's been given in this world, he has a responsibility to help his community. And I wish the people in Oklahoma City, who set off that bomb, had learned that lesson.

[The prepared statement of Mrs. Bloom follows:]

PREPARED STATEMENT OF EUGENIA BLOOM

My son, Brent Bloom, was born and raised in Tulsa and Bartlesville, Oklahoma. Last year, he decided to take a year off of school to serve in AmeriCorps*VISTA. That's why, on April 19th, when the bomb exploded in the Murrah Federal Building in Oklahoma City, my son was one of the first people into the building to help.

Brent was at his service site, REST, a day center for homeless people, when he heard the deafening explosion a few blocks away. He and his AmeriCorps teammates immediately drove over to help. Brent told the people on the scene that he was trained in CPR and First Aid, and led his team members and other volunteers

through a maze of melted cars and smoke into the building to help get victims out and emergency medical help in. He tells me that there was glass, debris and blood everywhere. He worked until 2 a.m. the next morning, helping to set up the nearby medical stations, carrying supplies for the FBI and FEMA, and working with Feed the Children at a nearby emergency center.

As in any disaster, a lot of people showed up to help in those first few days. But a week later, many of the volunteers were gone. It's not that they don't want to stay and help—they just can't afford to. They have to get back to their jobs, their homes, their families. But Brent and his AmeriCorps teammates are still there. They are still working with Feed the Children, getting local businesses to supply food and water for the victims, and making sure donations make it from the volunteer agencies to the people who need them. They're not going to leave the site until all the work is done.

Brent is carrying on the tradition of service in our family that started when his grandfather joined the Civilian Conservation Corps during the Great Depression. Our country is still benefitting from all the work the CCC did—the roads and the bridges and the trails—and we're watching it happen all over again today, because what Brent is doing is just a minute part of what AmeriCorps is doing all across the country.

AmeriCorps is also benefitting the people who serve. It's giving young people like Brent the time and experience they need to make good decisions about their futures, and it's giving families like ours who are feeling the drain of the expense some help sending their children to college.

But beyond the tangible achievements of national service, these programs strengthen the character of American citizens. I'm not going to tell you that Brent was a bad kid and that AmeriCorps made him good. My son has always been a good person. But Brent's experience in AmeriCorps has made him into a leader. It's made him the kind of person who walks into a place of desperate need instead of walking away from it, the kind of person who stays with a problem until it's solved. AmeriCorps has taught Brent that, in exchange for the opportunities he's been given in this world, he has a responsibility to help his community. I wish the people who set off the bomb in Oklahoma had learned that lesson.

Mr. SHAYS. Wow. Thank you very much. I am going to ask Connie Morella if she would like to make any statement of question.

Mrs. MORELLA. I simply want to thank the three of you for giving us each different facets of the success of the program. I'm curious, Mr. Timoney, what kind of salary do your AmeriCorps cadets receive? I mean, do they go to college?

Mr. TIMONEY. Yes.

Mrs. MORELLA. And they work part time and they get a salary.

Mr. TIMONEY. They get—first year is \$6.50 an hour; second year is \$7.50 an hour. When I think of my nephew, who is also in college, but he makes \$13 an hour; so \$6.50 isn't an awful lot.

Mrs. MORELLA. No, it's not.

Mr. TIMONEY. But it's helping them get by. And then they get a stipend of \$1,000 the first year. So he gets \$6.50 an hour, and they work about 600 hours, all together the first year. They actually work above the—they get paid for 600 hours, but we have them doing quite a few volunteer things, above the required 600 hours.

Mrs. MORELLA. So they don't get the \$4,000, you know, that amount. This is a different program. I've got one in my county, too. I was curious about how it works. So is that funding all coming from the Federal Government, or is it some coming from New York, or does the locality work this out? Do you know anything about that?

Mr. TIMONEY. My understanding is that the funding—and correct me if I'm wrong, Joe—the funding is directly from Washington. There's a match. The city of New York pays about half, and then AmeriCorps management service supplements it.

Mr. SHAYS. For the record, since you weren't near the microphone, Commissioner, are you going to agree that the city pays half and—

Mr. TIMONEY. The city pays half, and the Federal Government pays half.

Mrs. MORELLA. I see.

Mr. SHAYS. OK, somewhere around there. If that is not precise, we'll put it in the written record.

Mrs. MORELLA. Splendid. Well, I'm pleased to know that it's working so very well. And we can certainly look on it as a model. Thank you. I want to thank Mrs. Bloom for that excellent experience, and Mr. Wu. You obviously were motivated and inspired, and I wish that we could clone people like you. And I thank you, Mr. Chairman.

Mr. SHAYS. Well, that's what we're trying to do. Mr. Timoney, I just want to note for the record, if your program didn't exist, would you do it with volunteers, or would it just not exist? In other words, would volunteers do this program? Total volunteers? Unpaid? Could they?

Mr. TIMONEY. I don't think so, no. Because what there—there's a school part of it. We have volunteers in the auxiliary police.

Mr. SHAYS. Right.

Mr. TIMONEY. It's a completely different type of program. This is more—the auxiliary police, the volunteers, the attractiveness to that, it's almost like police work, you know, for all this tactical stuff. This is more geared toward public service.

Mr. SHAYS. Yes.

Mr. TIMONEY. So it's not strictly police. Even though we supervise and help train them, it's more of a public service commitment being involved. Not only police issues, but social issues that tangibly affect police—homelessness and things of that nature.

Mr. SHAYS. Thank you. I am going to let the statement of both of you stand on their own. They couldn't have been better. And candidly, it's the reason why I support AmeriCorps. You summed it up so beautifully. You are a very impressive young man.

Mr. WU. Thank you very much.

Mr. SHAYS. And our country is blessed to have you as a citizen. Eli Segal has left, and has designated Rick Allen as someone who could come and speak for the record. The advantage of calling you up, Mr. Allen, is that I will put you under oath. And rather than being in the written record, we'll have it there for your testimony. So I thank all three of you, and really appreciate you being here, and your patience for waiting so long until you could testify.

I'm going to try to do this fairly quickly here. I understand, Mr. Allen, you have a few points that you want on the record. If you'll raise your right hand.

[Witness sworn.]

Mr. SHAYS. Thank you.

STATEMENT OF RICK ALLEN, CHIEF EXTERNAL AFFAIRS OFFICER, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Mr. ALLEN. Thank you, Mr. Chairman, and I'll try to be brief. This was an extraordinary day, and we appreciate the opportunity

to talk about AmeriCorps in the first systematic way we've had, in the course of this, or the previous, Congress. And it was interesting today, because you heard the reality from the field, as well as some opposition from the beltway. I think that Phillip Wu is an extraordinary young man; Brent Bloom, Mrs. Bloom's son, an extraordinary young man. But in many ways, they're rather typical AmeriCorps stories.

What we heard in terms of criticism was also typical. It represented continued misstatements, despite the fact that we have provided information to our opponents on many occasions. Let me tick off just a few. In Mrs. Tucker's written statement, there are 15 false statements or misstatements. And we've been chasing these phantoms for quite some time. Mr. Walters, today, in his testimony, for the first time, admitted, in fact, that his assertion that \$457,000 was paid to recruit in Nebraska wasn't accurate.

But he said it was something related to the technical definition of recruitment. Mr. Walters' statements, in the past, have called that the money not only to recruit, but he followed that up by saying, "just to sign up." False statement. Mr. Walters indicated, at the end of his testimony today, that it was difficult to get cost numbers for AmeriCorps because the number of participants may vary over time. While that's an accurate statement, the inference he draws is entirely false.

If there are dropouts in an AmeriCorps program, the payout on the grant drops. We obviously don't fund salaries for people who are no longer there. And people who are no longer there don't qualify for an education award. So it isn't the case that the math is difficult. You did it yourself, Mr. Chairman, accurately—\$370 million, divided by 20,000 AmeriCorps members, gives you \$18,800. The cost per AmeriCorps member will be \$17,600 in 1995, if there is no recision of funds.

Mr. SHAYS. There's 33,000—

Mr. ALLEN. Thirty-three thousand members. Mr. Walters and members of this committee engaged in lengthy discussion about the Earth Day event. Let me just clarify two matters. One, the AmeriCorps members who were present that day were there on their own time. The time they spent listening to the President's speech and being honored for the work which they had performed on the Chesapeake Bay for a year, was on their own time; it does not count to their 1,700 hours.

And that event, in fact, did have Republicans present, and non-partisan elected officials who were also present. It was not a political event. Mr. Walters asserted—

Mr. SHAYS. With all due respect, every event is a political event, so I mean—

Mr. ALLEN. It was not—the AmeriCorps members' participation was not remotely political. They were there to hear their work praised, and it should be praised.

Mrs. MORELLA. If the gentleman would yield, did I hear somebody say that Mr. Gilcrest was not invited to join the President?

Mr. ALLEN. It was a question by Mr. Davis. I don't know one way or the other if that's the case. It was not an AmeriCorps event, so I can't speak specifically to his participation. I do know that there were Republicans there. It was an Earth Day celebration in Mary-

land, because of the work done by AmeriCorps members and others on the Chesapeake Bay. In other words, the President came to them to see what they had done, rather than them going to some political rally.

Mrs. MORELLA. The record should show that Mr. Gilchrest is one of our leaders in the environment.

Mr. ALLEN. Yes.

Mrs. MORELLA. And we certainly need him on this side.

Mr. ALLEN. Yes, I would certainly agree with that. Additionally, Mr. Walters—one of the panelists, sorry, it was not Mr. Walters—said that it's inappropriate to take green kids and have them do disaster work. But the fact, what Director Witt testified, is that the AmeriCorps members who serve on the disaster teams, have specific training, both by FEMA and the Red Cross. So they are highly skilled in this respect.

Ms. Davies made a number of assertions, which are false and misleading. She gave an anecdote of a single, unnamed Peach Corps member, and put it up in terms of the impact of AmeriCorps and military recruiting, against the two ranking civilians, the Secretary of Defense and the Assistant Secretary, and all of the uniformed officers in charge of personnel, and against the common sense of what AmeriCorps membership looks like, as against the military recruiting model.

But then she went on, in talking about the Georgia Peach Corps, to quote a visit—an article written on a visit—which was done before AmeriCorps existed; and before changes in the Georgia Peach Corps occurred, which are entirely significant because they absolutely controvert what she was arguing.

Mr. SHAYS. I'm unclear about that part. Is your testimony, under oath, that this program that she was viewing at the time—and you know the date—was before it was AmeriCorps' program? I'm not clear about that.

Mr. ALLEN. Georgia Peach Corps has existed for a number of years. It is now an AmeriCorps program.

Mr. SHAYS. OK.

Mr. ALLEN. When it became an AmeriCorps program—and as you know, AmeriCorps was launched in September 1994—

Mr. SHAYS. Right.

Mr. ALLEN [continuing]. Which is after her visit date. When it became an AmeriCorps program, they had to make a number of changes to their program.

Mr. SHAYS. First off, is it Miss Lacey? It's Miss Lacey, not Miss Davies.

Mr. ALLEN. I'm sorry, that's exactly right. Jill Cunningham Lacey.

Mr. SHAYS. So, for the record, it's Miss Lacey?

Mr. ALLEN. That's correct. I apologize. These were done on the basis of relatively quick notes during the course of the testimony. She indicates that the Georgia Peach Corps members worked 6 hours a week. In fact, they now have to work 1,700 hours a year to meet their AmeriCorps requirement. They have stretched out the service day, and the service provided.

But they've also made a change that I would have thought she would have applauded, if she'd gone back to see the program after

AmeriCorps began. They're now required to put in uncompensated volunteer hours, on top of the 1,700 hours. That's now a program requirement. This is a program that's been praised by Senator Nunn, among others, for what it gets done. Why? She talks about Thompson County, and she says this work wasn't needed because it was already a model community—

Mr. SHAYS. I'd like not to get in too much—I just want to make sure the specific pieces of information.

Mr. ALLEN. She indicated that Thompson County did not need the work because it was a model community. It was a model community on the basis of its identification of needs. Those are the needs that AmeriCorps members are meeting. In fact, the county put up its own money to bring the Peach Corps in, and to match us. And that was highly desired by them.

So these are, I think, a few indications of the sorts of things that we have been chasing down over all of these months. Anecdotes or assertions are raised; we investigate; we disprove them. And either they continue to be repeated, despite the fact that we've informed our opponents and others; or leaving it aside, they move on to the next assertion, which is equally false. I think that, when you put up against those issues, people like Brent Bloom, Phillip Wu and others, you see what the reality of AmeriCorps is.

And we thank you again, Mr. Chairman, and this committee, for having that opportunity.

Mr. SHAYS. Now, for the record, you had mentioned that Miss Tucker had 16 misstatements. And I don't want to go through them, but I don't want to leave it at that. I'd like you to—

Mr. ALLEN. I'll submit them for the record.

Mr. SHAYS. For the record.

[The information referred to follows:]

FALSE AND/OR MISLEADING STATEMENTS IN THE TESTIMONY OF JILL LACEY, ALLYSON TUCKER AND JOHN WALTERS

On May 18, 1995, Jill Lacey, Allyson Tucker and John Walters testified in opposition to the AmeriCorps national service program before the Subcommittee on Human Resources and Intergovernmental Affairs of the Committee on Government Reform and Oversight, United States House of Representatives. This document enumerates the 50 false or misleading statements that were included in their testimony.

The purpose of this document is two-fold: (1) to highlight the inaccuracies and distortions that appear in the testimony of Ms. Lacey, Ms. Tucker and Mr. Walters, and (2) to provide the underlying facts so that Congress may engage in an informed debate on the merits of the AmeriCorps national service program.

False or misleading statements have been numbered and organized by topic.

THE AVERAGE COST OF AN AMERICORPS MEMBER

(1) "The AmeriCorps program costs the taxpayer \$30,400 per student participant per year.¹

—Allyson Tucker

This statement is false. The Corporation's budget for the average AmeriCorps Member is \$18,800 in fiscal year 1994 and—assuming that no fiscal year 1995 funds are rescinded—will be \$17,600 in fiscal year 1995. This figure was obtained by dividing the total fiscal year 1994 AmeriCorps appropriation (\$376 million) by the number of AmeriCorps Members (20,000). The resulting figure of \$18,800 per Member is a complete total that includes Members' living allowances, post-service edu-

¹Tucker, Allyson, "Testimony Before The Committee on Government Reform and Oversight Subcommittee on Human Resources and Intergovernmental Relations, U.S. House of Representatives," May 18, 1995, p. 3. (Hereinafter referred to as "Tucker Testimony").

cation benefits, program support, and AmeriCorps' overhead. The projected costs per Member for fiscal years 1995 and beyond are lower than for fiscal year 1994 because as the program grows it will achieve economies of scale—increasing the number of Members without significant growth in administrative infrastructure.

THE VALUE OF AMERICORPS BENEFITS

(2) "Each AmeriCorps 'volunteer' is paid a \$7,400 stipend and a \$4,750 tuition credit, worth approximately \$7.27 per hour."²

—Allyson Tucker

(3) "AmeriCorps 'volunteers' receive annual stipends of \$7,400, plus up to \$9,450 over two years toward payment of higher education debts. That works out to more than \$7 per 'volunteer.'"³

—John Walters

These statements are misleading. The typical full-time AmeriCorps Member receives a stipend of \$7,640. By law the federal share of the stipend cannot exceed 85% of \$7,640, or \$6,494,⁴ and the Corporation's estimated share of the stipend averages \$6,200. Most part-time AmeriCorps Members do not receive stipends, and if they do, the maximum federal share of the stipend is pro-rated. The amount of the education award is \$4,725 for full-time AmeriCorps Members and half that amount, or \$2,362.50, for part-time AmeriCorps Members.

Although full-time Members must serve a minimum of 1700 hours over 9–12 months, and part-time Members must serve a minimum of 900 hours over up to two or sometimes three years, the amount of the living allowance and the education award is not tied to the number of hours served. Since many AmeriCorps Members serve substantially more than the minimum required hours, and because some AmeriCorps Members will never use their education award, any calculation of hourly wage based on the minimum hours and the maximum education award inevitably will be wrong.

(4) "Each AmeriCorps 'volunteer' [receives] medical benefits and free child care."⁵

—Allyson Tucker

(5) ". . . [AmeriCorps'] automatic health and childcare benefits."⁶

—John Walters

These statements are false. By law, full-time AmeriCorps Members are eligible to receive health care benefits only if they are not already covered, and the Corporation will not pay more than 85% of the cost.⁷ To receive child care benefits, full-time AmeriCorps Members must (a) need child care in order to participate, (b) have a family income less than 75% of the state median income, (c) reside with and be the parent of a child under the age of 13, and (d) not be receiving child care assistance from any other source at the time of acceptance into the program.⁸ Part-time AmeriCorps Members do not receive AmeriCorps health and child care benefits. Because of these conditions, the Corporation's combined cost for child and health care has been estimated to average \$1,200 per AmeriCorps Member—and early experience suggests actual averages may be less.

(6) "The educational benefits also exceed those available to veterans."⁹

—Allyson Tucker

This statement is false. Not only are the educational benefits of AmeriCorps Members less than those available to veterans, but the amount of the AmeriCorps education award is pegged to the amount of G.I. benefits such that it is impossible for the education award to exceed veterans' educational benefits in the future. The

²Tucker Testimony, p. 2.

³Walters, John P., "Testimony of John P. Walters Before the Subcommittee on Human Resources and Intergovernmental Relations of the Committee on Governmental Reform and Oversight, United States [sic] House of Representatives," May 18, 1995 (Hereinafter referred to as "Walters Testimony"), p. 3.

⁴The relevant section of the law reads as follows: "The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 12571 of this title and using other Federal funds shall not exceed 85 percent of the total average amount provided to VISTA volunteers under section 4955 of this title." 42 USC 12594(a)(2).

⁵Tucker Testimony, p. 2.

⁶Walters Testimony, p. 3.

⁷"A State or other recipient of assistance under section 12571 of this title shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance, if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation." 42 USC 12594(d)(1).

⁸"A State or other recipient of assistance under section 12571 of this title shall make child care available for children of each full-time participant who needs child care in order to participate in a national service program." 42 USC 12594(e)(1).

⁹Tucker Testimony, p. 2.

amount of the AmeriCorps education award is set, by statute, at 90 percent of the government share of educational benefits available under the G.I. bill.¹⁰ It should be noted that many veterans are eligible for far more than the statutory minimum against which the AmeriCorps education award level is calculated.

(7) "The total AmeriCorps [benefits] package is worth nearly \$20,000, more than the income of 39.3 million working Americans."¹¹

—Allyson Tucker

This statement is false. The typical full-time AmeriCorps Member receives a living allowance of \$7,640 (about \$600 per month, which is below the poverty line), an average of \$1,200 for health and child care, and an education award of \$4,725 only upon completion of service. That sums to \$13,565, \$6,435 less than Ms. Tucker claims. For the record, Ms. Tucker's quotation above is significantly closer to the truth than a very similar statement she made in a widely cited article that appeared in *The Hill* on March 29, 1995. (Ms. Tucker's article is attached as Appendix A.) In that article, she made the further false claims (a) that the AmeriCorps benefits are tax-free (they are not), and (b) that the value of AmeriCorps benefits exceeds the median income level of workers in the private sector (AmeriCorps benefits are more than \$10,000 less than the median income).¹²

AMERICORPS AND WORKING FAMILIES

(8) "AmeriCorps does little to help working families pay for college."¹³

—Allyson Tucker

(9) "[AmeriCorps] does not accomplish its stated goal of "expanding educational opportunity."¹⁴

—Allyson Tucker

These statements are false. Full-time AmeriCorps Members earn an education award of \$4,725. Part-time Members earn an education award equal to half of that amount. The median family income of AmeriCorps Members is \$28,000; over 80 percent of AmeriCorps Members come from working class families with annual incomes of less than \$50,000; and less than 3% come from families with annual incomes over \$100,000. (Charts depicting AmeriCorps Member demographics are attached as Appendix B.)

Granted, the 20,000 AmeriCorps Members do not constitute a large percentage of the college population, and the education award certainly is not enough to pay for an entire education, but for many working class AmeriCorps Members, the education award will make the difference between going to college or not. That is probably why there are more than 10 interested Americans for each AmeriCorps Membership. Clearly, for the AmeriCorps Members, the program is "expanding educational opportunity."

Equally important, the work that many of the AmeriCorps Members do directly expands educational opportunity for younger students. Some of them are teachers; some are tutors; some provide safe corridors to and from school; some work in Head-Start programs; and some teach conflict resolution techniques in schools. All of these activities expand educational opportunity by increasing the probability that at-risk youth will stay in school, learn more effectively, and go on to college.

(10) "The children of wealthy and influential people can elbow out poor students for participation in the program."¹⁵

—Allyson Tucker

This statement is misleading. This sentence also appeared in Ms. Tucker's March 29 article in *The Hill*. In that article, Ms. Tucker explicitly stated the false implication of this sentence. She asserted there that "the majority of students recruited

¹⁰ The formula for the amount of the AmeriCorps education award is as follows: "90 percent of (1) one-half of an amount equal to the aggregate basic educational assistance allowance provided in section 3015(b)(1) of Title 38 (as in effect on July 28, 1993), for the period referred to in section 2013(a)(1) of Title 38 (as in effect on July 28, 1993), for a member of the Armed Forces who is entitled to such an allowance under section 3011 of Title 38 and whose initial obligated period of active duty is 2 years; less (2) one-half of the aggregate basic contribution required to be made by the member in section 3011(b) of Title 38 (as in effect on July 28, 1993)." 42 USC 12603(a).

¹¹ Tucker Testimony, p. 2.

¹² Ms. Tucker stated, "The total, non-taxable income of an AmeriCorps 'volunteer' exceeds the median income of workers in the private sector." Tucker, Allyson, "AmeriCorps: Rhetoric vs. Reality," *The Hill*, March 29, 1995. (Hereinafter referred to as "Tucker Article").

¹³ Tucker Testimony, p. 2.

¹⁴ Tucker Testimony, p. 2.

¹⁵ Tucker Testimony, p. 3.

come from wealthy, not poor or needy, households."¹⁶ Both the implication of Ms. Tucker's claim here, and her specific assertion in her article, are false. AmeriCorps Members are selected on their merits by local programs without regard to socio-economic status. The "children of [the] wealthy and influential" do not "elbow out" needy people. As stated earlier, a full 80% of AmeriCorps Members come from families with incomes of less than \$50,000, less than 3% come from families with annual incomes of over \$100,000, and the median family income of AmeriCorps Members is \$28,000, putting the vast majority right in the heart of the working class.

(11) "There was a large emphasis on affirmative action in the program."¹⁷

—Jill Lacey

(12) "I have seen it said from AmeriCorps representatives . . . [that] we want this [AmeriCorps] to be 70 percent minorities."¹⁸

—Jill Lacey

These statements are false. There are no such quotas in AmeriCorps. And for the record, AmeriCorps is ethnically as well as socio-economically diverse: AmeriCorps Members are 47% White, 31% African American, 14% Hispanic, 3% Asian Pacific Islander, 2% Native American, and 3% Other. (See Appendix B.) Ms. Lacey also argued in a June 12, 1993 article that "the middle class won't see the benefits of [AmeriCorps]," stating that "it is unlikely that many shining, white, middle-class faces will help to form its 'mosaic,' given the fact that local program leaders would choose their own participants and are encouraged to do so based on needs."¹⁹ (Ms. Lacey's article is attached as Appendix C.) Her speculations clearly are not true.

HOW AMERICORPS MONEY IS SPENT

(13) "More than half of the Americorps appropriation is spent on administrative costs and paperwork."²⁰

—Allyson Tucker

(14) "At least \$15,000 per Americorps participant goes for overhead and administration."²¹

—Allyson Tucker

These statements are false. At the Federal level, 5% of AmeriCorps' 1995 appropriation goes to administrative costs. An additional 3% is used to support State Commissions that help to oversee and select two-thirds of the AmeriCorps programs. This comes to a total of 8%, or \$1,300 per AmeriCorps Member devoted to administrative costs. In fiscal year 1995, for example, the Corporation's cost per AmeriCorps Member will be \$17,600. Of that amount, 35% (\$6,200) goes to Member stipends, 27% goes to Member education awards, 23% (\$4,075) is used to operate the AmeriCorps programs at the local level (paying for everything from training, materials, and supplies to planning and evaluation), 5% (\$850) goes to AmeriCorps' overhead, and 3% (\$450) supports State Commissions. (A breakdown of AmeriCorps' fiscal year 1995 cost per Member is attached as Appendix D.)

AmeriCorps has two crucial safeguards to ensure that AmeriCorps money is spent directly to get things done. First, by law, a maximum of 5 percent of any AmeriCorps grant may be spent on administrative costs.²² And second, according to the Corporation's regulations, all AmeriCorps Members must either provide a direct service to a community or supervise others who are doing so. Administrative work is not allowed except when it is incidental to direct service and necessary to accomplish it.²³ For example, an AmeriCorps Member who was performing immunization

¹⁶ Tucker Article.

¹⁷ Lacey, Jill. "Oral Testimony of Jill K. Lacey before the House Subcommittee on Human Resources and Intergovernmental Relations." May 18, 1995. (Hereinafter referred to as "Lacey Oral Testimony"), p. 127, lines 2975-2976.

¹⁸ Lacey Oral Testimony, p. 127, lines 2979-2982.

¹⁹ Lacey, Jill, "National Service: Just More Welfare," Clinton Watch, June 12, 1993.

²⁰ Tucker Testimony, pp. 3-4.

²¹ Tucker Testimony, p. 4.

²² This statutory restriction applies both to grantees and to any subgrantees. It reads as follows: "Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) of this section may be used to cover administrative costs incurred by (A) the recipient of the assistance; and (B) national service programs carried out or supported with the assistance." 42 USC 12571(d)(1).

²³ AmeriCorps' regulations read as follows: "\$2520.20 What types of service activities are allowable for programs supported under parts 2520 through 2524 of this chapter? (a) The service must either provide a direct benefit to the community where it is performed, or involve the supervision of participants or volunteers whose service provides a direct benefit to the community where it is performed. Moreover, the approved AmeriCorps activities must result in a specific identifiable service or improvement that otherwise would not be provided with existing funds or volunteers and that does not duplicate the routine functions of workers or displace paid employees . . . (b) In certain circumstances, some activities may not provide a direct benefit to the

screenings for infants would need to keep records of those infants, and an AmeriCorps Member who was teaching would probably need to keep attendance. Other types of administrative work, however, do not constitute direct service and are prohibited.

Finally, it should be noted that Ms. Tucker's figures are internally inconsistent. On the one hand, she states that AmeriCorps' cost per Member is \$30,400 (see quotation number 1, above). On the other hand, she asserts (a) that administrative costs total \$15,000 per Member, and (b) that participant benefits total \$20,000 per Member (see quotation number 7, above). If true, this necessarily would imply a per Member cost of at least \$35,000—\$4,600 more than her initial claim. As we have seen, however, none of these assertions is true.

(15) "Despite a [\$] 1.7 million public relations budget . . ." ²⁴

—Allyson Tucker

(16) " . . . the \$1.7 million AmeriCorps national ad campaign." ²⁵

—John Walters

These phrases are false. AmeriCorps has neither a \$1.7 million public relations budget nor a \$1.7 million national ad campaign. The contract to which Ms. Tucker and Mr. Walters are referring—awarded by the former ACTION agency on September 30, 1993 after a competitive bidding process that took place prior to the Corporation's existence—includes a number of other tasks such as recruiting Members and responding to hundreds of thousands of public information requests. By comparison, the Department of Defense spends 1,000 times that amount to recruit ten times the members.

(17) "An Omaha World-Herald editorial reported that Nebraska had received a grant of \$457,622 to recruit just 23 AmeriCorps members (\$19,987 in bureaucratic overhead per recruit)." ²⁶

—Allyson Tucker

This statement is misleading, and the World-Herald's assertion is false. (The Omaha World-Herald's editorial is attached as Appendix E.) The Nebraska commission spent less than \$1,000 total on AmeriCorps recruitment, or about \$50 per Member. The \$457,622 represents the amount of money they spent on everything having to do with AmeriCorps Members in the state—living allowances and education awards for Members, support for all of their AmeriCorps program costs, and start-up costs for their Commission, which oversees a number of service initiatives that are not part AmeriCorps and that involve thousands of participants. It should be noted that this false claim was first picked up, distorted, and widely distributed in Washington, D.C. in a memorandum by Mr. Walters. (The memorandum is attached as Appendix F.)

Mr. Walters stated in a January 18, 1995 "Memorandum to Conservative Reformers" entitled, "The Threat of Bureaucratic Populism," that "the Omaha World-Herald recently reported that the state of Nebraska received an AmeriCorps grant of \$457,622 to recruit 23 AmeriCorps members, that is, nearly \$20,000 just to sign up each 'volunteer'." This is technically incorrect. The editorial, published on September 14, 1994, actually simply said that the Nebraska State Commission "has received \$456,622 to recruit 23 young people into the corps." It did not say that the money was an AmeriCorps grant. Nor did it say that the money wasn't also used for other purposes. Nor did it state that \$20,000 was spent to sign up each volunteer. All of these statements were misrepresentations of Mr. Walters.

(18) "A \$140,000 seed grant . . . went to pay officials at Northeastern University to develop 'a plan to compete for more AmeriCorps money next year.'" ²⁷

—John Walters

(19) "Educrats [sic] at Northwestern [sic] University, for example, were given \$140,000 to develop 'a plan to compete for more AmeriCorps money next year.'" ²⁸

—Allyson Tucker

These statements are misleading. The \$140,000 planning grant that went to Northeastern University did not go to develop "a plan to compete for more

communities in which service is performed. Such activities may include, but are not limited to, clerical work and research. However, a participant may engage in such activities only if the performance of the activity is incidental to the participant's provision of a service that does provide a direct benefit." 45 CFR § 2520.20.

²⁴ Tucker Testimony, p. 5.

²⁵ Walters Testimony, pp. 3–4.

²⁶ Tucker Testimony, p. 4.

²⁷ Walters Testimony, p. 4.

²⁸ Tucker Testimony, p. 4.

AmeriCorps money next year," as both Ms. Tucker and Mr. Walters assert.²⁹ The Corporation operates like an investment banker, making a small number of planning grants to programs that show the most promise. These planning grants are analogous to research and development in business—they allow for the development of new and innovative approaches that otherwise might be overlooked, and they provide the opportunity for these programs to work through potential barriers before full operations commence and the costs of corrections or failure greatly increase. Along those lines, and in accordance with the specific legislation passed by Congress that authorizes planning grants, in fiscal year 1994 the Corporation put approximately 1.5 percent of its AmeriCorps budget into planning grants for promising initiatives with good leadership talent.

(20) "The assembly of these [AmeriCorps] members on time paid for by the government to orchestrate a political attack for partisan purposes is a misuse of money."³⁰

—John Walters, comment regarding AmeriCorps Members attending an Earth Day event at which the President of the United States spoke.

The premises of this statement are false. First, the AmeriCorps Members that were at the Earth Day event were there on their own time; government funds were not spent on them. Second, the event was not partisan. Democrats, Republicans, and independent local elected representatives were all in attendance to hear the President speak. And third, the AmeriCorps Members were not used to "orchestrate a political attack." They were in attendance because the President was planning to honor them for the important environmental work they were undertaking to clean up nearby Chesapeake Bay and restore the natural habitat.

WHAT AMERICORPS MEMBERS DO

(22) "The reality, however, is that the AmeriCorps program is nothing more than another expensive government jobs program."³¹

—Allyson Tucker

This statement is false. A jobs program is intended primarily to provide training for those who need it or work for individuals who otherwise would be unable to find it. The primary purpose of AmeriCorps, however, is to meet the pressing needs of our nation, to "get things done." Competition to participate in AmeriCorps is intense, with over 10 people expressing interest for every Membership available. AmeriCorps is not geared exclusively toward disadvantaged youth; most Members come from hard working middle class families, and 74% are 21 years of age or older. (See Appendix B.)

The early evidence indicates that AmeriCorps Members' accomplishments are well worth the funds that are being invested. A team of four conservative, independent economists recently completed a comprehensive cost-benefit study of three representative AmeriCorps programs. In the conclusion of their 49 page study, they state, "we have measured benefits to be \$1.60 to \$2.60 per dollar of federal outlay, and . . . these measured benefits, by the nature of the methodology, are understated."³² (This study is attached as appendix G.) Aguirre International, an independent research firm headed up by President Ford's former Commissioner of Education, recently completed a survey of 8 percent of AmeriCorps' sites selected at random, and found strong progress. (The results of this survey have previously been provided to the Subcommittee and were referenced in Mr. Segal's testimony.) Moreover, all AmeriCorps programs are subject to audits and evaluations; any that aren't achieving results and living up to standards won't receive further funding.

(23) "AmeriCorps, a program that awards taxpayers' dollars to special interest, ideological, and political organizations, and to bloated bureaucracies . . ."³³

—Allyson Tucker

²⁹ It should be noted that although both Mr. Walters and Ms. Tucker cite the same quotation in their testimony (i.e., "a plan to compete for more AmeriCorps money next year"), and although Ms. Tucker provided footnotes and citations for other assertions, neither of them provided a citation for this quotation.

³⁰ Walters, John P., "Oral Testimony of John P. Walters Before the Subcommittee on Human Resources and Intergovernmental Relations of the Committee on Governmental Reform and Oversight, United States [sic] House of Representatives, "May 18, 1995, p. 109, lines 2519-2521. (Hereinafter referred to as "Walters Oral Testimony").

³¹ Tucker Testimony, p. 2.

³² Garner, Cyrus J.; Kormendi, Roger C.; Neumann, George R.; and Tamura, Robert F. "The Benefits and Costs of National Service: Methods for Benefit Assessment with Application to Three AmeriCorps Programs." Funding provided by The Charles A. Dana foundation, IBM Foundation, The James Irvine Foundation, and Youth Service California. June, 1995. p. 45.

³³ Tucker Testimony, p. 5.

(24) "The majority of these [AmeriCorps Members] work in federal or state bureaucracies . . . or even political action organizations."³⁴

—Allyson Tucker

(25) "One quarter of [AmeriCorps'] personnel are assigned to assist in the work of government bureaucracies."³⁵

—John Walters

(26) "Nearly 2,800 of AmeriCorps' first 20,000 members are assigned to federal agencies."³⁶

—John Walters

(27) "More than 2,800 AmeriCorps participants work in federal departments or agencies."³⁷

—Allyson Tucker

(28) "Nearly 3,000 other members are assigned to state government or state-funded agencies."³⁸

—John Walters

All of these statements are false and misleading. First, the implication of all of these statements is that AmeriCorps Members are not doing the direct service they are required to do—that they are doing paperwork for bureaucracies or advocating through political action organizations. That is not true. As stated earlier, the Corporation's regulations require AmeriCorps Members to do real work that directly benefits communities. (See footnote number 23.) Second, AmeriCorps Members are specifically prohibited by the Corporation's regulations from engaging in advocacy.³⁹

And third, AmeriCorps Members don't work in Federal or State agencies; nor do they do the work of Federal or State agencies. (They are specifically prohibited by law from displacing paid employees. See footnote number 22.) Rather, some of them work in AmeriCorps programs that are in whole or in part administered through such agencies. By law, AmeriCorps Members placed through federal or state agencies are not employees, and therefore do not receive employee health, pension, or retirement benefits.⁴⁰

Just as AmeriCorps Members who work through national non-profit organizations like Habitat for Humanity aren't sitting in headquarters doing paperwork, so too are the AmeriCorps Members working through federal agency grants not working in Washington headquarters. The Department of Energy, for example, received a grant to help administer an AmeriCorps program called the Salmon Corps. Are these AmeriCorps Members doing paperwork in Washington, D.C.? No. In fact, they are working in Washington and Oregon states helping to rehabilitate the Columbia River to make it safe for spawning salmon—and to help protect the fishing industry that is so vital to the economy of the Pacific Northwest. The vast majority of AmeriCorps Members serve in small, local nonprofit organizations or in national non-profits like the YMCA and Habitat for Humanity, and the federal agencies that do help administer AmeriCorps programs constitute only 1/9 of total grants.

(29) "In San Francisco, the AmeriCorps 'Summer of Safety' program organized 40 groups to rally against the federal crime bill's 'three strikes and you're out' provision."⁴¹

—Allyson Tucker

This statement is false. The Corporation promptly investigated the allegation after it was made, and found that no one from the program organized, encouraged or was known to have attended such a rally. Again, AmeriCorps' regulations are very clear on this: Advocacy and political activities aren't part of AmeriCorps and funding may be cut off if they occur. Most importantly, the program worked. The Corporation has received letters from the city's Mayor (a former police chief) and its current Police Chief, indicating that the effort helped reduce gang tensions and made the city safer. (These letters are attached as Appendix H.)

³⁴ Tucker Testimony, p. 3.

³⁵ Walters Testimony, p. 3.

³⁶ Walters Testimony, p. 3.

³⁷ Tucker Testimony, p. 3.

³⁸ Walters Testimony, p. 3.

³⁹ The Corporation's regulations state that "some activities are prohibited altogether . . . These activities include: (a) Any effort to influence legislation . . . (b) Organizing protests, petitions, boycotts, or strikes; (c) Assisting, promoting or deterring union organizing; (d) Impairing existing contracts for services or collective bargaining agreements; [and] (e) Engaging in partisan political activities, or other activities designed to influence the outcome of an election to any public office." 45 CFR §2520.30.

⁴⁰ Indeed, by law no AmeriCorps Member is considered an employee of the organization through whom he or she serves. The law states, "A participant shall not be considered to be an employee of the program in which the participant is enrolled." 42 USC 12511(17)(b).

⁴¹ Tucker Testimony, p. 3.

(30) "AmeriCorps Members spend one-fifth of their time in 'training, education, and other non-direct service activities.'" ⁴²

—John Walters

This statement is misleading. Mr. Walters has confused a limit with an average. As explained earlier, although AmeriCorps Members must engage in direct service (see footnote 23), some of their time may be spent in non-direct service activities that support what they are doing. These activities may include training and education, both of which are often essential to programs. The Corporation issued guidance stating that not more than 20 percent of AmeriCorps Members' 1,700 minimum required hours may be spent in non-direct service activities. That is a limit, however, not an average; most AmeriCorps Members spend a smaller percentage of their time in education and training; and most AmeriCorps Members serve more than their minimum number of hours. Therefore, it is incorrect to infer that one-fifth of AmeriCorps Members' time is spent on such activities.

THE TRAINING OF AMERICORPS MEMBERS

(31) "There is a role to have government—FEMA—go in and train the volunteers and show them how to get things done . . . but this program [AmeriCorps] doesn't do it. You're taking green kids off the street . . ." ⁴³

—Allyson Tucker

This statement is false. First, AmeriCorps Members are not "kids." 21 percent of AmeriCorps Members are 30 years of age or older; and 74 percent are 21 years of age or older. Second, AmeriCorps Members are not "green." Three percent of AmeriCorps Members have advanced academic degrees; 28 percent have attained at least a Bachelors degree; 62 percent have attended at least some college; and all but 11 percent have a high school diploma. (See appendix B.) More importantly, by the Corporation's regulations, all AmeriCorps Members are required to receive training appropriate to the service they will be providing.⁴⁴ Emergency response teams receive extensive training in disaster relief and first aid. Teachers are taught how to teach. And nearly all AmeriCorps Members receive basic training in CPR.

AMERICORPS' EFFECT ON MILITARY RECRUITING

(32) "I did meet some volunteers down there who specifically told me, when I asked them what they'd be doing if they weren't with the Peach Corps, that they had opted for the Peach Corps, over the military, because of the educational benefit that they would receive." ⁴⁵

—Jill Lacey

This statement is false and misleading. Preliminarily, Ms. Lacey admitted later in her testimony that in fact she remembered speaking with only one such individual, stating, "I did meet at least one individual down there who was definitely diverted from joining the Air Force by the Peach Corps education stipend."⁴⁶ More important, the implication of her statement—that AmeriCorps harms military recruiting—is false. This charge was first made by Mr. Walters in a March 23, 1995 memorandum, in which he stated, "there is evidence that AmeriCorps may be harming military recruiting."⁴⁷ Not only is there no such evidence, but there is overwhelming evidence to the contrary.

Mr. Walter's assertion is based entirely on a Marine Corps survey of 500 young men. The study found that only 11 percent of those surveyed had heard of AmeriCorps. However, when given the [false] statement that AmeriCorps offered better education benefits than the military, 47 percent said they would consider joining. In other words, there is no actual evidence.

The Secretary of Defense and the Assistant Secretary for Manpower—the top two civilians responsible for military recruiting—have told the 104th Congress in writing that AmeriCorps is not harming their recruiting; the Personnel Chiefs for each of the services in the Armed Forces have told the 104th Congress, under oath, that

⁴² Walters Testimony, p. 4.

⁴³ Tucker, Allyson, "Oral Testimony Before The Committee on Government Reform and Oversight Subcommittee on Human Resources and Intergovernmental Relations, U.S. House of Representatives," May 18, 1995, p. 100, lines 2302-2307.

⁴⁴ As part of the minimum program requirements, all AmeriCorps programs must "provide participants in the program with the training, skills, and knowledge necessary to perform the tasks required in their respective projects, including, if appropriate, specific training in a particular field." 45 CFR 2522.100(i).

⁴⁵ Lacey Oral Testimony, p. 75, lines 1728-1732.

⁴⁶ Lacey Oral Testimony, p. 102, lines 2359-2360.

⁴⁷ Walters, John, "Memorandum to Conservative Reformers: Honey, They Shrank My Program," March 23, 1995.

they have no reason to believe that AmeriCorps is harming military recruiting; and 1994 (the first year of operation for AmeriCorps) was the third best year in history for military recruiting.

The reason AmeriCorps is not affecting military recruiting is simple: very few AmeriCorps Members (about 5000) meet the prime military recruitment profile of being able-bodied males between the ages of 18 and 24 with high-school diplomas. AmeriCorps includes 64 percent women, 38 percent over 24 years old, 11 percent without high school degrees, and 4% who are disabled. (See Appendix B.)

AMERICORPS AND VOLUNTARISM

(33) "At least 94 million Americans currently participate in volunteer service activities."⁴⁸

—Allyson Tucker

(34) "Over half of all Americans . . . volunteer time each week in the quiet service of others."⁴⁹

—Jill Lacey

These statements are speculation, and the inference is misleading. In reality, there are no current, 1995 or 1994 data available. The most recent data available, for 1993, show that 89.2 million Americans volunteer.⁵⁰ As evidence for her assertion, Ms. Tucker cites a correct statistic from a comprehensive Independent Sector survey, stating "that in 1991, 94.2 million Americans age 18 and over volunteered in some capacity."⁵¹ She fails to note, however, that the same survey found that volunteering, both in absolute numbers and as a percentage of total population, has been trending steadily downward since 1989. In 1989, 98.4 million Americans, or 54.4 percent of the civilian population 18 years or older volunteered; in 1991, these numbers fell to 94.2 million and 51.1 percent; and in 1993 these numbers fell again to 89.2 million and 47.7 percent. (Excerpts from the Independent Sector survey are attached as Appendix I.)

(35) "Private sector community service is thriving."⁵²

—Allyson Tucker

(36) "Voluntarism in America is booming."⁵³

—John Walters

These statements are misleading. Volunteers have always played a vital role in meeting the needs of this nation, and millions of people do in fact volunteer. But even as the population of the United States has risen dramatically, and the needs of the nation have increased, the number of people who volunteer is dropping. If this dropping trend in voluntarism from 1989 to 1993 has continued into 1995, there currently would be 84.6 million people volunteering—representing only 44.3% of the population. In short, if trends have continued, over the last six years the absolute number of people who volunteer has fallen by nearly 14 million people, and the percentage of the population volunteering has fallen by 10 percentage points.

(37) "AmeriCorps does not promote volunteerism."⁵⁴

—Allyson Tucker

(38) "AmeriCorps is simply not necessary."⁵⁵

—John Walters

(39) "Paid 'voluntarism' will have a corrupting effect on genuine charity. AmeriCorps' effort to bolster a successful private activity—voluntary community service—with an infusion of federal tax dollars will further encourage community organizations to become dependent on the federal government. Charitable organizations already receive one-fourth of their funding from government sources. As a result, local control often takes a backseat to government grant-seeking."⁵⁶

—John Walters

These statements are false. The simple truth is that the vital needs of our nation are not currently being met—and that AmeriCorps helps fill the gap. It helps not only by providing direct service, but by increasing and promoting voluntarism. The Independent Sector survey on voluntarism found that the single biggest reason peo-

⁴⁸ Tucker Testimony, p. 4.

⁴⁹ Lacey, Jill. "Testimony of Jill K. Lacey before the House Subcommittee on Human Resources and Intergovernmental Relations." May 18, 1995. (Hereinafter referred to as "Lacey Testimony").

⁵⁰ "Giving and Volunteering in the United States: Findings from a National Survey." Independent Sector, 1994, p. 23 (Hereinafter referred to as "Independent Sector Survey").

⁵¹ Tucker Testimony, p. 4.

⁵² Tucker Testimony, p. 4.

⁵³ Walters Testimony, p. 2.

⁵⁴ Tucker Testimony, p. 4.

⁵⁵ Walters Testimony, p. 2.

⁵⁶ Walters Testimony, p. 3.

ple volunteer is because they are asked to.⁵⁷ AmeriCorps Members do some of the asking. As only one example, over the last year, Volunteer Maryland's 55 AmeriCorps Members recruited and engaged 7,500 volunteers who provided services valued at over \$4 million. And the leaders of Habitat for Humanity say AmeriCorps has helped them attract, train and supervise 5000 additional volunteers. Jerry Bass of Habitat says, "We can't do it without them." On average, for every AmeriCorps Member, a program has attracted an additional 12 volunteers—which means that because of 20,000 AmeriCorps Members, nearly a quarter of a million people are now volunteering. At the Corporation, we believe that is why the most prominent volunteer organizations in America—including Habitat for Humanity, scores of United Ways and YMCAs, the National Multiple Sclerosis Society, and the American Red Cross—participate in and staunchly support AmeriCorps. And so do their fellow charities, including those not receiving AmeriCorps funds—from the Girl Scouts of America to American Association of Retired Persons.

Independent Sector, the organization that Mr. Walters most often cites as the authority on charity, has stated that "charities cannot fill the gap that substantial cuts in federal funding of social programs would create."⁵⁸ (An open letter released by Independent Sector, with 116 member organizations as signatories, is attached as Appendix H.) And according to Independent Sector, private charities actually receive 30 percent of their funding from government, not the 25 percent that Mr. Walters asserts. Far from crowding out charitable organizations, AmeriCorps continues a tradition of public/private partnership to help meet our nation's needs. Independent Sector states, "Since the 1960s, charities and government agencies have often worked as partners in addressing critical social needs."⁵⁹ That's why Independent Sector—and the charities that are its members—supports AmeriCorps.

THE GEORGIA PEACH CORPS DEMONSTRATION PROGRAM

Ms. Lacey based the bulk of her testimony on a visit she made in January of 1994 to the Georgia Peach Corps program. All references to "the program" in this section denote the Georgia Peach Corps.

(40) "I am delighted to share some of my observations, drawn from my visits to AmeriCorps projects."⁶⁰

—Jill Lacey

This statement is misleading. Ms. Lacey opens her testimony by referring to her "visits," attempting to imply that she has a detailed and intimate knowledge of AmeriCorps. And in her oral testimony, she claimed to have spent three days at the Georgia Peach Corps. In reality, although Ms. Lacey may have spent some of three consecutive days in Georgia, she spent very little time at the Peach Corps, and is certainly not an expert on the program. Ken Cook, the director of the Peach Corps, has written in a letter to Rep. Chris Shays, the following:

Ms. Lacey misrepresented to your Subcommittee the amount of time she devoted to her observation of our Corps . . . she devoted no more than six hours to interviewing staff and while the opportunity [to do more] was there, she visited only one of our forty Corps project sites. Clearly, it is impossible to assess the service impact of 120 Corpsmembers, in two separate communities where hundreds of different projects involved dozens of different sites, in a visit that lasted less than one day.⁶¹

In that letter, Mr. Cook provides a detailed account of exactly how Ms. Lacey spent her time, and it is clear that she had very little opportunity to interact with Members or to observe program activities, and that she didn't take into account community opinions of the program's worth. (Mr. Cook's letter is attached as Appendix K.) Equally important, she visited the program in January, 1994, nine months before the launch of AmeriCorps. (This is explained in answer to quotation number 44.)

(41) "The program was funded with a \$2.8 million grant from the Corporation for National and Community Service."⁶²

⁵⁷ Independent Sector Survey, p. 93.

⁵⁸ This citation is from an open letter released on February 7, 1995 by Independent Sector. Over 116 charitable organizations are signatories, and they include The American Lung Association, Camp Fire Boys and Girls, Cancer Care, Inc., Children's Aid International, Girls Scouts of the USA, March of Dimes, National Council of Catholic Women, National Council of Churches of Christ in USA, National Multiple Sclerosis Society, Second Harvest, United Way of Michigan, World Emergency Relief, and YMCA of the USA, among many others. (Hereinafter referred to as "Independent Sector Letter").

⁵⁹ Independent Sector Letter.

⁶⁰ Lacey Testimony, p. 1.

⁶¹ Cook, Ken, "Letter to Rep. Chris Shays," May 19, 1995.

⁶² Lacey Testimony, p. 1.

—Jill Lacey

This statement is false. At the time of Ms. Lacey's visit, the Georgia Peach Corps was funded with a \$2.3 million grant from the Commission on National and Community Service—established under President Bush—not the \$2.8 million as she claims. Moreover, Ms. Lacey fails to note that of the original grant, only \$1.5 million was actually expended in fiscal year 1994.

(42) "In addition to their salaries and tuition, the program had massive overhead costs for supervisory personnel, travel, and training."⁶³

—Jill Lacey

This statement is false. Of the original \$2.3 million grant, nearly \$2 million was budgeted for participant support costs, \$58,200 for training and supervision of the participants, \$90,740 for evaluation of the program, \$43,500 for capital and operating costs of the program, \$115,000 for administrative costs, and \$10,000 for other costs.

(43) "The Peach Corps began with 140 Members but graduated only 80 . . . [driving] the real cost per graduate to over \$35,000 per year."⁶⁴

—Jill Lacey

This statement is false and misleading. The facts are (a) that although the original grant was \$2.3 million, the program only expended \$1,473,329 in grant funds in fiscal year 1994, and (b) there were 120 corps members who began the program, of whom 100 completed the program. Dividing the expended grant funds (\$1.47 million) by the number of people who completed the program (100) yields a cost per graduate of \$14,733—less than half of the \$35,000 cost Ms. Lacey asserted. Ms. Lacey's cost per graduate figure is wrong because she has divided the wrong grant amount (\$2.8 million) by the wrong number of corps members (80).

In addition, nowhere in her calculations does Ms. Lacey take into account the value of accomplishments of the Members—even as she concedes that the projects of Peach Corps Members were "of good quality" and could easily pass for "the work of professionals."⁶⁵

(44) "[Members] worked six hours a day, four days a week, for nine months."⁶⁶

—Jill Lacey

This statement is misleading. Ms. Lacey presents the Georgia Peach Corps as a representative AmeriCorps Program, yet her observations were of a program operating under a different, 1990, pre-AmeriCorps legislative schema. As required by the 1993 act, every full-time AmeriCorps Member is required to complete a minimum of 1700 hours over the course of 9–12 months. That obviously could not be done on this schedule. Moreover, the Georgia Peach Corps currently complies with this 1700 hour minimum.

(45) "By law, [the Peach Corps] cannot compete with private industry for contracts and their efforts cannot displace any government workers. This virtually insures that the projects they are assigned will be of marginal value to the community."⁶⁷

—Jill Lacey

This statement is misleading. Ms. Lacey offers no evidence to support this assertion, and her logic is specious. AmeriCorps Members are not allowed to displace paid employees or compete with private industry specifically to ensure that their efforts are in fact valued by the community. It is axiomatic that if a task is already being done, if a community need is already being met by the private sector, then there is no need for an AmeriCorps program to perform that task. Concomitantly, any need that is not being addressed, by definition, is not being addressed by "private industry" or "government workers." The needs of our nation's communities are not being met because in many instances no incentives exist for the private sector to get involved; that does not mean that addressing those needs "will be of marginal value to the community." AmeriCorps is intended to fill the gap.

(46) "The unglamorous truth is that this community was already strong without the Peach Corps. Thomson played host to this national demonstration project because the community is a model one—a 'five star community'—according to a state panel."⁶⁸

—Jill Lacey

This statement is misleading. Ms. Lacey's implication is that if a community is a five star community, it must not have important needs to be met. On the contrary, Thomson was able to earn its status as a five star community in part because it

⁶³ Lacey Testimony, p. 1.

⁶⁴ Lacey Testimony, p. 1.

⁶⁵ Lacey Testimony, p. 1.

⁶⁶ Lacey Testimony, p. 1.

⁶⁷ Lacey Testimony, p. 1.

⁶⁸ Lacey Testimony, p. 2.

conducted a comprehensive needs assessment that identified specific shortcomings in five areas of community development and suggested strategies for addressing them. Thomson is a model community not because it doesn't have problems, but because it is committed to recognizing its problems and implementing solutions. Part of the solution they suggested was the Peach Corps—before there was AmeriCorps. (47) "Only \$5,000 of [the Peach Corps'] hefty budget came from local businesses in the Thomson area."⁶⁹

—Jill Lacey

This statement is misleading. The implication is that the local community is not behind the program, when in fact, the City of Thomson and the McDuffie County Board of Commissioners have invested more than \$30,000 in the Peach Corps.

(48) "The Peach Corps, therefore, made a concerted effort to divert potential recruits from their college track to fulfill its own affirmative action goals."⁷⁰

—Jill Lacey

This statement is false on two counts. First, the Peach Corps encourages all of its Members to go to college. That is why they receive education awards. Second, the Peach Corps does not have affirmative action goals, and Ms. Lacey has presented no evidence that it does.

(49) "These workers were not attracted by the urge to serve."

(50) "Many of the Peach Corps participants voiced surprise and disappointment to me that in addition to their paid work, more genuine unpaid service wasn't expected of them."

(51) "It is clear to me that the emphasis of AmeriCorps are the so-called volunteers not the populations they purportedly serve."⁷¹

—Jill Lacey

These statements are unsubstantiated and subjective. Ms. Lacey, as explained in response to quotation number 40, has had only minimal exposure to the Peach Corps. Moreover, in her oral testimony, she first stated that a number of Members she spoke with had chosen the Peach Corps instead of the military, but later recanted when she was reminded she was under oath and admitted that she only remembered speaking with one. Therefore, the Corporation feels that any of her subjective assertions about how the Members felt should be viewed with extreme caution.

More importantly, it is clearly inappropriate for Ms. Lacey to be making sweeping, false generalizations about the "emphasis of AmeriCorps" on the basis of her limited exposure to a few Members at only one of AmeriCorps' 1,000 sites.

Finally, since Ms. Lacey's pre-AmeriCorps visit, the Peach Corps does require a minimum of 40 hours of additional uncompensated volunteering from its Members. This is roughly equal to the average number of hours the typical American volunteer puts in a full year—and the Peach Corps Members, of course, log in at least an additional 1700 hours of service.

REBUTTAL OF FALSE STATEMENTS IN AMERICORPS OPPONENT TESTIMONY

As you are well aware, there are many legitimate areas of disagreement about AmeriCorps between its proponents and its critics. Some of these were brought out in the initial debate over the legislation that created AmeriCorps, and undoubtedly many will resurface in the debate over AmeriCorps' reauthorization. Unfortunately, the legitimate substantive debate has been obfuscated by a series of accusations about AmeriCorps programs—accusations that are at best misleading, and at worst, patently false.

On May 18, 1995, Jill Lacey, Allyson Tucker, and John Walters repeated 50 of these charges before the Subcommittee on Human Resources and Intergovernmental Relations of the Committee on Government Reform and Oversight of the United States House of Representatives. The attached document sets the facts straight; it systematically enumerates the false and misleading statements in the testimony of AmeriCorps' opponents, and it provides the underlying facts.

Most of the opponents' charges have been made before, and, as you know, we have made extensive efforts to correct them in other contexts. Fortunately, the lack of any foundation for these claims was brought out in the hearing. For example:

- Both Mr. Walters and Mr. Tucker continued to repeat as fact the wildly inaccurate assertion that Nebraska spent \$20,000 "just to recruit" AmeriCorps Members. The actual recruitment cost is less than \$50 per Member. Although Mr. Walters had widely disseminated this claim in the press, at the hearing, Mr. Walters

⁶⁹ Lacey Testimony, p. 2.

⁷⁰ Lacey Testimony, p. 2.

⁷¹ Lacey Testimony, p. 3.

admitted that he had no reason to believe that the claim was accurate, and that he had made no efforts to verify it.

- Ms. Lacey repeated an earlier assertion Mr. Walters had made in an op ed: that AmeriCorps harms military recruitment. Her evidence? She spoke with one member of a service program prior to the existence of AmeriCorps who said that he had joined the program instead of the Air Force. The facts are that 1994 was the third best year in history for military recruitment, that the demographics of AmeriCorps are very different from those of the military, and every major relevant leader of the Armed Forces has stated that AmeriCorps is not hurting military recruitment.

- Ms. Tucker made the assertion that AmeriCorps "does little to help working families to pay for college" because the children of the wealthy and influential can "elbow out" more needy participants. In an article she published in *The Hill*, she made the even stronger claim that "the majority of AmeriCorps Members come from wealthy families." The fact is that the median family income of AmeriCorps Members is about \$28,000. When questioned about this, Ms. Tucker admitted that she was not an expert on the specifics of the AmeriCorps program and that there were no facts to support her assertion.

- Ms. Tucker testified that the cost per AmeriCorps Member is \$30,400. The most basic arithmetic proves this assertion false. AmeriCorps' appropriation is \$376 million; it has 20,000 Members; therefore the Corporation's cost per Member is \$18,800. When questioned about her claim, she first stated that she thought the number was derived by dividing the 1994 appropriation by the number of Members. Realizing that this was wrong, she said that she didn't know where her number came from. After being asked to find out, she said that she had obtained this number from Senator Charles Grassley's office. (Incidentally, Senator Grassley's office invented this widely cited figure by extrapolating from the costs of the nine-and-a-half week Summer of Service demonstration program, which of course occurred prior to the existence of AmeriCorps.)

AmeriCorps' critics may not be intentionally disseminating false information, but, as the hearing made clear, they have not made even the most minimal efforts to verify the assertions about the AmeriCorps program that they hear and repeat. And they have done very little in the way of real research. Ms. Lacey bases her entire opposition to AmeriCorps on one visit to one of 40 sites of one program before AmeriCorps even existed. Ms. Tucker, as a representative of the well-respected Heritage Foundation, has written articles with dozens of false and unsubstantiated claims for which—as she admitted under oath—she has no real evidence. And Mr. Walters has systematically ignored the accurate information provided to him by AmeriCorps, choosing instead to disseminate as fact any charge against AmeriCorps he may hear. Hopefully this hearing and the attached document will finally put to rest these old false charges.

The hearing also brought out some new charges that are equally groundless. Mr. Walters claimed that AmeriCorps would "corrupt" volunteerism because part-time, unpaid volunteers would be unwilling to work with full-time AmeriCorps Members who receive a living allowance. However, as Habitat for Humanity will tell you, not only is this false, but AmeriCorps Members actually dramatically increase the number of part-time volunteers. Ms. Tucker argued that the disaster relief service of the "green kids" who are AmeriCorps Members isn't worth the investment of taxpayer dollars—ignoring the facts that three-quarters of AmeriCorps Members are over 21, that all of them receive appropriate training, and that the AmeriCorps Members who respond to disasters receive extensive training from the Red Cross. Finally, Ms. Lacey testified that she remembered hearing that AmeriCorps had a quota of 70 percent minorities. The fact is AmeriCorps does not have racial quotas, and all of America's racial and ethnic groups are fairly represented in the AmeriCorps program.

In the final analysis, these false charges about AmeriCorps—both new and old—are nothing but red herrings detracting from the real debate. The evidence—including the systematic evaluations and cost-benefit analyses of independent experts—indicates overwhelmingly that AmeriCorps is working. Interestingly, Mr. Walters seems to agree. In his testimony he states, "We salute the young people in AmeriCorps . . . who are trying to serve their country. The issue is not our running down honest people who are doing serious work. The issue is whether or not this program, in my mind, is well conceived; is a cost-effective use of taxpayer money; and whether or not it should be continued."

An objective look at the real facts leads one inevitably to the conclusion that yes, AmeriCorps works; yes, it is well conceived; yes, it is cost-effective; and yes, AmeriCorps should be continued. Once again, we appreciate the opportunity to set the facts straight.

[Note.—The appendices referred to below can be found in subcommittee files.]

APPENDICES SUBMITTED BY THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

- A—Allyson Tucker Article
- B—AmeriCorps Demographics
- C—Jill Lacey Article
- D—1995 Cost Per Member
- E—Omaha World Herald Editorial
- F—John Walters Memorandum
- G—"The Benefits and Costs of National Service: Methods for Benefit Assessment with Application to Three AmeriCorps Programs"
- H—Letters of Support from San Francisco Mayor and Police Chief
- I—Excerpts from Independent Sector Survey
- J—Independent Sector Open Letter
- K—Ken Cook Letter

Mr. SHAYS. Thank you very much. I appreciate all those who have testified, and the patience of everyone who has been there today, and I adjourn this hearing.

[Whereupon, at 1:25 p.m., the committee was adjourned, subject to the call of the chair.]

[Note.—The appendices referred to below can be found in subcommittee files.]

APPENDICES SUBMITTED BY THE SUBCOMMITTEE ON HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS

- I—Legislative outline, the National and Community Service Trust Act of 1993
- II—Board of Directors, Corporation for National and Community Service
- III—Chairman's letter to the Corporation, Corporation response with attachments
- IV—Heritage Foundation article and issue bulletin
- V—Jill Lacey articles on AmeriCorps programs
- VI—Appropriations chart, FY96 budget request and funding stream outline
- VII—AmeriCorps participant demographic figures

