



**Testimony of Wendy Spencer
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Before the

**Subcommittee on Labor, Health and Human Services, Education, and Related
Agencies
Committee on Appropriations
United States House of Representatives**

**Hearing on the President's Fiscal Year 2017 Budget Request
March 1, 2016**

Chairman Cole, Ranking Member DeLauro, and Distinguished Members of the Subcommittee,

Thank you for inviting me to testify on the Administration's fiscal year (FY) 2017 Budget request for the Corporation for National and Community Service (CNCS). I appreciate this opportunity to tell you about our vital work to improve lives, expand economic opportunity, and engage millions of Americans in service to meet pressing local and national challenges.

We are grateful for the funding increase Congress provided in FY 2016 to support our mission. With the resources entrusted to us, we will continue to be responsible stewards of taxpayer dollars by investing in high-quality programs, leveraging outside resources, and delivering results on some of America's toughest problems.

Working hand in hand with thousands of local partners, our programs empower citizens to solve problems. They bolster the institutions of civil society. They expand opportunity through hard work and personal responsibility. They strengthen our communities. And they unite us as a nation.

The FY 2017 Budget continues this smart approach. Through targeted investments, our AmeriCorps, Senior Corps, and Social Innovation Fund programs will tackle pressing challenges – helping students graduate, rebuilding communities after disasters, supporting veterans and military families, increasing economic opportunity, preserving the environment, and creating healthy futures.

As CEO, I am privileged to work every day with a talented team at CNCS; extraordinary, mission-driven leaders in our field; and passionate, committed individuals who serve in our programs. Here are a few I have met:

- Within hours after a devastating tornado struck Moore, Oklahoma in May 2013, AmeriCorps and Senior Corps were on the scene. AmeriCorps teams, including from AmeriCorps National Civilian Community Corps and its FEMA Corps unit, conducted damage assessments, managed volunteers and donations, and provided legal assistance and client casework. Senior Corps RSVP volunteers answered disaster hotlines, served food at shelters, and assisted survivors. When I was there shortly after the tornadoes, I saw nearly 200 Senior Corps and AmeriCorps members providing vital support to survivors. In the first two months, they collected and distributed 265 tons of donations, conducted 651 damage assessments, and mobilized nearly 3,000 volunteers. Today, an AmeriCorps NCCC team is in Moore serving with Oklahoma United Methodist Church Disaster Response, mucking and gutting homes affected by Memorial Day flooding.
- Michelle Whitlock, whose grandfather started working in a coal mine when he was 14, joined AmeriCorps VISTA to support Shaping Our Appalachian Region (SOAR), an initiative launched by Chairman Hal Rogers and Governor Steve Beshear to improve the economy and quality of life in Eastern Kentucky after a severe downturn in the coal market. Michelle and 80 other full-time AmeriCorps VISTA members have made a powerful impact by serving with their partners to connect approximately 6,000 people with health and nutrition services, increase educational opportunities for more than 10,000 students, and connect more than 5,000 adults with employment services, including training unemployed coal miners to become computer coders. Michelle was instrumental in working with partners to secure a multi-million dollar grant to the Eastern Kentucky Concentrated Employment Program to help low-income residents get the education, training, and support they need to achieve self-sufficiency.

- Chrysalis, a Los Angeles nonprofit supported by our Social Innovation Fund grantee REDF, creates pathways to self-sufficiency for homeless and low-income individuals. It operates an evidence-based social enterprise program that provides transitional jobs to adults facing employment barriers. Chrysalis helps people like Eric gain skills to re-enter the job market. Eric spent 15 years living on Skid Row, going in and out of jail, struggling with substance abuse. In 2013, he knew he had to change. He tried for months to find a job, but with his background, no one would hire him. Then he found transitional employment at Chrysalis. Now Eric is off the streets, off drugs, and employed full-time. A recent evaluation found that, one year after accepting a social enterprise job through organizations such as Chrysalis, workers' average monthly income increased by 91 percent while their income from government benefits dropped from 71 percent to 24 percent.¹
- Elizabeth Oliver joined AmeriCorps VISTA after learning about the plight of homeless veterans as a college student. At age 20, she moved to Salt Lake City to begin a year of full-time service with The Road Home, Utah's largest homeless shelter. Elizabeth worked with the mayor's office to identify homeless veterans and recruit landlords who were willing to house them. Her efforts contributed to 97 homeless veterans gaining housing, helping Salt Lake City become one of the first cities to end chronic veterans' homelessness.

CNCS CORE PRINCIPLES

These stories happen every day and are made possible by the funding provided by Congress and local communities. They illustrate our focus on a set of smart, common-sense principles:

- **Empowering Citizens and Organizations to Solve Problems:** Our agency was created on a fundamental idea – to harness the ingenuity and can-do spirit of our people to solve local problems. AmeriCorps members and Senior Corps volunteers are dedicated citizens who work hard in tough conditions. They make an intensive, sustained commitment. They take on complex assignments, assume leadership roles, recruit and manage volunteers, and deliver powerful results. They serve at more than 50,000 locations – schools, food banks, homeless shelters, youth centers, and veteran's facilities – helping existing nonprofit and faith-based organizations expand their reach and impact through direct service and by mobilizing millions of additional volunteers. In addition, our Social Innovation Fund addresses longstanding issues like chronic unemployment, systemic homelessness, and unmet mental health needs by leveraging substantial non-federal support to grow evidence-based programs that improve lives and build the economic independence of low-income individuals.
- **Leveraging Resources Through Public-Private Partnerships:** Last year CNCS programs generated more than \$1.26 billion in outside resources from businesses, foundations, public agencies, and other sources. This means that leveraged resources exceeded our federal appropriation. Some of the nation's largest companies invest in national service programs including Google, Walmart, Target, Comcast, Bank of America, Cisco, Microsoft, CSX, and Home Depot – along with thousands of small businesses, community foundations, and local agencies. This local investment strengthens community impact, increases the return on taxpayer dollars, and demonstrates great confidence in our programs' abilities to deliver results on some of America's most pressing problems.

¹ Rotz, D.; Maxwell, N.; Dunn, A. (2015) Economic Self-Sufficiency And Life Stability One Year After Starting A Social Enterprise Job. Mathematica Policy Research: San Francisco, CA.

- **Supporting Local Control and Community Solutions:** National service invests in local community solutions. Our support strengthens - not displaces - the work of existing civic, neighborhood, and community groups. Governors play a key role in deciding where national service resources go, with three-fourths of AmeriCorps funding overseen by Governor-appointed State Service Commissions. Local organizations selected for our funding are responsible for recruiting, selecting, and supervising their participants. We work closely with city, county, and tribal officials to identify local needs and deploy our resources to meet them. For example, last year we increased our grants to tribal organizations by 29 percent – our largest investment in the past decade. Local leaders see national service as an important partner in solving problems, as shown by the participation of 2,786 mayors and county leaders representing 150 million Americans in last April’s Mayor and County Recognition Day for National Service². Additionally, our Social Innovation Fund supports more than 300 organizations serving nearly 600,000 people in 35 states by investing in their interventions, building their evidence base, and helping them scale with matching funds, often from local philanthropy.
- **Expanding Economic Opportunity:** By helping seniors live independently, keeping students on track to graduate, and connecting returning veterans to jobs, our programs increase economic independence and build family stability. National service is also a pathway to education and employment for those who serve. Since 1994, nearly one million AmeriCorps members have earned \$3.1 billion in education awards to reduce student loan debt or pay for college. As part of their service, many AmeriCorps members receive certifications such as First Aid, CPR, teaching, and disaster response. They also gain valuable skills including leadership, management, and problem-solving that all employers look for. In recognition of these skills, more than 300 organizations with 1.4 million employees have become Employers of National Service, committing to recruit AmeriCorps and Peace Corps alumni into their workforce. These employers - including Disney, Comcast-NBCUniversal, Sodexo, CSX, NASA, Omni Air International, the Idaho Food Bank, the states of Montana and Virginia, and Nashville, Philadelphia and New York City - know that AmeriCorps alumni are dedicated, talented, and mission-driven; and want more of them on their teams.

2017 BUDGET PRIORITIES

The President’s FY 2017 Budget builds on these core principles and our decades of experience in engaging citizens in national service, social innovation, and volunteerism. The request of \$1.1 billion – virtually level with FY 2016 – will support CNCS and its thousands of state and local partners in meeting community needs with higher levels of impact, evidence, accountability, and efficiency.

Within our Budget, we have three key priorities: increasing community impact; funding what works using evidence, competition and innovation; and ensuring accountability and efficiency.

INCREASE COMMUNITY IMPACT

The first priority is to increase our impact on the priorities Congress identified in the Serve America Act: disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families.

² <http://www.nationalservice.gov/special-initiatives/mayor-and-county-recognition-day>

- The Budget supports an estimated 88,400 AmeriCorps positions – including 1,000 FEMA Corps members - to serve through nonprofits such as Habitat for Humanity, City Year, and Teach For America to address critical community challenges, from disaster response and homelessness to hunger and low-performing schools. It proposes an opportunity for up to 8,000 disconnected youth to serve as AmeriCorps members during the summer, giving them an opportunity to serve their communities while exploring potential career paths, developing skills, and earning an education award they can use for college.
- The Budget expands Resilience AmeriCorps, our partnership initially launched with Cities of Service, the Rockefeller Foundation, the National Oceanic and Atmospheric Administration, and other federal agencies. The Budget would support roughly 175 additional AmeriCorps VISTA members to help tribal, state, city, county, and nonprofit leaders plan for and support their communities as they become more resilient to the impacts of extreme weather and natural disasters.
- The Budget supports 270,000 older Americans to serve in Senior Corps programs as Foster Grandparents, Senior Companions, and RSVP volunteers, tapping the wisdom and experience of older Americans to solve community problems. It also provides resources to strengthen the Nation’s volunteer sector, supports the vital work of Governor-appointed State Service Commissions, and builds the capacity of organizations to recruit and retain volunteers to address critical community needs.
- The Budget also provides \$50 million to continue to support families and individuals in low-income communities through the Social Innovation Fund. This critical investment funds the growth of evidence-based interventions to promote economic opportunity, youth development, and healthy futures.

FUNDING WHAT WORKS USING EVIDENCE, COMPETITION, AND INNOVATIVE MODELS

Our second priority is maximizing the return on public investments by increasing competition; using evidence in budget, management, and grantmaking decisions; and supporting innovative models that allow communities to use taxpayer dollars only when outcomes are achieved.

Using Evidence to Drive Impact: CNCS operates two competitive grant programs that explicitly incorporate demonstrated evidence of effectiveness into funding decisions. These programs – AmeriCorps State and National and the Social Innovation Fund – together account for the largest share of CNCS program funding. The 2017 Budget will continue the focus of these programs on competitive grantmaking that prioritizes evidence-based models. All interventions funded through the Social Innovation Fund must be able to demonstrate at least a preliminary level of effectiveness then take part in a rigorous evaluation to either strengthen the evidence base for the intervention or to verify its effectiveness through a Pay for Success project.

The Budget proposes an increase in our evaluation account in order to build the capacity of grantees to use evidence and evaluation to strengthen outcomes, disseminate effective practices, and strengthen performance reporting. Funding will also support research on programs, such as the recent study of the Minnesota Reading Corps, AmeriCorps’ largest tutoring program. This rigorous two-part evaluation, conducted by NORC at the University of Chicago³, provided compelling evidence that students tutored by AmeriCorps members achieved

³ Markovitz, C.; Hernandez, M.; Hedberg, E.; Silbergitt, B. (2014). Impact Evaluation of the Minnesota Reading Corps K-3 Program. NORC at the University of Chicago: Chicago, IL.

significantly higher literacy levels than students without such tutors. For example, kindergarten students with an AmeriCorps tutor produced more than twice as many correct letter sounds as those without one, a key measure of emergent literacy skills. The study also found that the impacts were statistically significant even among students at higher risk for academic failure and that the model was highly replicable.

Increasing Competition in Senior Corps: The Budget advances the adoption of evidence-based models by introducing competition into the Foster Grandparent and Senior Companion Programs and enhancing competition in the RSVP program. Competition increases the impact of federal appropriations by awarding grants to the highest quality grantees. In turn, competition encourages innovation, increases efficiency, and produces greater outcomes for both service participants and recipients. CNCS will provide technical assistance to current grantees to prepare for this change, as we did during the successful introduction of competition into RSVP.

Reserving the Taxpayer Dollar for Positive Outcomes: The Budget continues to allow up to 20 percent of Social Innovation Fund dollars to support Pay for Success projects. These projects can leverage philanthropic and private dollars to fund services up front, with government paying only after results occur, ensuring taxpayer dollars pay for results, not just the promise of results. We are committed to continuing this approach and helping other federal agencies learn from our work and explore how they might also apply this model.

ENSURING ACCOUNTABILITY AND INCREASING EFFICIENCY

An overarching priority across all of our work is ensuring accountability and increasing efficiency in our program and financial operations. The strong stewardship of federal funds is a top priority for me in everything that we do. We have built a culture of accountability among our staff and grantees, and we are continuously improving our risk management, internal controls, and oversight and monitoring.

This Budget makes investments in those key areas, plus supports modernizing our information technology systems to enhance security and expand our enterprise-wide approach to risk management. These investments will drive accountability and increase efficiency so we can continue to maximize the impact of our federal funding and provide first-rate support to members, grantees, and the public.

CONCLUSION

Mr. Chairman, service and social innovation are a vital part of the American character. For decades, successive Administrations of both parties have invested in national service to tap the ingenuity and can-do spirit of the American people. The 2017 Budget continues this smart and cost-effective approach of engaging millions of Americans in solving local problems.

Thank you again for your support of our vital work and for inviting me to testify today. I am happy to answer your questions.