



CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 2520, 2521, and 2522

RIN 3045-AA84

AmeriCorps State and National Updates

AGENCY: Corporation for National and Community Service.

ACTION: Final rule.

SUMMARY: The Corporation for National and Community Service (operating as AmeriCorps) is revising its regulations governing the AmeriCorps State and National program to provide programmatic and grantmaking flexibilities while protecting program integrity and safeguarding taxpayer funds. This rule limits AmeriCorps State and National grantees' required share of program costs (known as "match" or "cost share") to a scale that starts at 24 percent for the first three-year grant cycle and increases more incrementally with each successive three-year grant cycle, until it reaches 30 percent in the fourth three-year grant cycle (that is, the tenth year of the grant) and beyond; simplifies the criteria that allow AmeriCorps to waive match for AmeriCorps State and National grantees; allows AmeriCorps to grant waivers of education hour limitations under certain circumstances to permit members serving with AmeriCorps State and National grantees to spend an increased number of hours on education and training activities; and removes the four-term limit on service in AmeriCorps State and National programs, with a clarification of the number of terms for which AmeriCorps will fund member benefits. Non-substantive changes in this rule are updates to nomenclature to reflect that the Corporation for National and Community Service operates as AmeriCorps, deletion of provisions that were based on a statutory provision that has since been deleted, and updates to outdated citations.

DATES: This rule is effective on October 1, 2024.

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I. Background

AmeriCorps is revising its AmeriCorps State and National program regulations to address stakeholder feedback on match requirements, be more consistent with other grant programs within the agency, and reduce barriers to grantee organizations that are specifically designed to provide education and training to members as part of their national service program. AmeriCorps State and National provides grants to States, territories, Indian Tribes, public and private nonprofit organizations, local governments, and institutions of higher education to carry out national service programs, offering a wide range of service opportunities. AmeriCorps State and National also provides general operating funding for State service commissions. AmeriCorps is issuing these revisions under the authority of the National and Community Service Act, as amended, at 42 U.S.C. 12651c(c).

II. Overview of the Final Rule

This rule makes four substantive changes to the AmeriCorps State and National regulations, as described below. In addition, this rule makes nomenclature changes to add a definition for “AmeriCorps” and change “the Corporation” to “AmeriCorps” throughout these regulations to reflect that the Corporation for National and Community Service now operates as AmeriCorps, deletes provisions that were based on a statutory provision that has since been deleted, and updates outdated citations. This final rule includes a delayed effective date in order to allow time to prepare for implementation.

A. Waiver of the Current 20 Percent Limit on Education and Training

Activities - § 2520.50

The current regulation sets a 20 percent limit to the aggregate total of all service hours in a program that AmeriCorps members may spend in education and training activities. As a result, each program must have at least 80 percent of the aggregate of all AmeriCorps member hours in service. This final rule allows AmeriCorps to waive this limit under certain circumstances, to permit up to 50 percent of the aggregate AmeriCorps member hours in a program to be spent in education and training activities. When deciding whether a waiver is appropriate, AmeriCorps will consider whether the AmeriCorps program:

- Is a Registered Apprenticeship program, or
- Is a job training or job readiness program, or
- Includes activities to support member attainment of a GED or high school diploma or occupational, technical, or safety credentials, or
- Primarily enrolls economically disadvantaged AmeriCorps members and is designed to provide soft skills or life skills development for those members.

The final rule allows members in these types of programs who might benefit from additional education and training— for example, people reentering society after incarceration—to participate in national service while acquiring skills and knowledge to ease their transition. Under the current rule, many workforce development and Registered Apprenticeship programs with full-time participants are only able to offer “less than full-time” AmeriCorps member slots because members’ service hours spent in training, in excess of the 20% limit, are not creditable. In turn, this limits the amount of the education award available to their participants and could limit their participants’ access to health care, childcare, and other benefits afforded to members enrolled in full-time slots and results in their participants being unable to get credit for a large portion of their hours.

The waiver will better allow AmeriCorps to advance equity for underserved communities by helping to address this significant barrier to entry.

AmeriCorps expects to grant waivers to new and existing Registered Apprenticeship programs, job training or job readiness programs, programs that include activities to support member attainment of a GED or high school diploma or other credentials, or programs that primarily enroll economically disadvantaged AmeriCorps members and are designed to provide soft skills or life skills development for those members. Grantees may request waivers in writing as part of their grant application and receive a decision on the waiver prior to grant award. As most of the programs that would benefit from this waiver have participants who are serving in the program full time but may only serve part-time as AmeriCorps members because of the current limits on in-service educational time, there is no expectation that the level of service provided to communities would decline. Programs that receive this waiver will be able to allow their members to spend up to 50 percent of their hours in education and training activities, with the remaining 50 percent in service activities, rather than requiring that 80 percent of the hours be devoted to service activities. While it may appear that these programs would be providing nearly 40 percent fewer hours in service to communities, in fact, eligible programs already have participants serving in their programs full time who serve only part-time as AmeriCorps members. For example, a job readiness program may engage a participant in 50% education and training activities and 50% service activities, and without a waiver, the participant would be serving as an AmeriCorps member only part-time – that is, for the 50% of their time spent in service activities and 20 percent of the hours they spend in education and training.

B. Revising Match Requirements - § 2521.60

This rule revises the scale that sets out grantees' program costs not provided by AmeriCorps (known as "match" or "cost share"). The current regulations require a

graduated match that incrementally increases each year to a total of 50 percent overall share by the tenth year and for each year afterward without a break in funding of five years or more. This final rule replaces that match scale with one that gradually increases at the end of each three-year grant period (rather than annually) to reach a total of 30 percent overall share by the tenth year and for each year afterward without a break in funding of five years or more.

As described in the next section, this change provides a less aggressive scale over a shorter total time period than the proposed scale, which would have increased match to reach a total of 50 percent overall share by the sixteenth year. That proposal was intended to address the increased difficulty many grantees experience in raising match funds, as evidenced by the increase in waiver requests AmeriCorps receives, and to address many of the comments AmeriCorps received in response to the Request for Information from Non-Federal Stakeholders: Grantee Match Requirements (RFI) it published in 2022. *See* 87 FR 26740 (May 5, 2022). The proposed rule provided a more gradually increasing scale than the current regulations, which require match increases from 26 percent as of the fourth consecutive year they receive a grant to 50 percent as of year 10 and beyond for the total budget.¹ The final rule further adjusts the scale to instead provide that grantees must raise at least 24 percent overall match in their first grant period, with incremental increases with each successive grant period, reaching a 30 percent overall minimum match by year 10 and beyond. In developing the final rule match scale, AmeriCorps weighed the many comments on the proposed rule that indicated it would not provide sufficient relief to prospective or existing grantees, and would undermine the agency's responsibility to safeguard and prudently leverage taxpayer funds and promote

¹ For several years, Congress has, through appropriations laws, provided that AmeriCorps programs receiving grants under the National Service Trust program must meet an overall minimum match of 24 percent for the first three years of receiving funding, and then must meet the overall match requirements in section 2521.60 of the current regulations. *See, e.g.,* Consolidated Appropriations Act, 2022, Pub. Law. 117-103, Section 402.

program stability. AmeriCorps determined that an increasing match scale is appropriate for organizations to demonstrate that they are increasing their capacity to operate AmeriCorps programs and maintaining or increasing community support and investment by assuming more of the cost with each grant period. AmeriCorps determined that a match minimum of 30 percent, rather than 50 percent, at year 10 is appropriate to relieve some of the burden that match places on programs. As some commenters pointed out, the dollar-for-dollar match requirement of 50 percent is generally more burdensome than the match imposed by other Federal agencies, because match for the AmeriCorps State and National programs is calculated based on the total cost of running the program, as opposed to the amount of funding provided by AmeriCorps. AmeriCorps also considered that the recent increase to the minimum living allowance necessarily raises the cost of running programs, which in turn raises the total monetary contribution associated with the required match, given that match is based on a percentage of total cost of carrying out a program. AmeriCorps also determined that reaching the highest minimum at year 10 is appropriate to minimize the burden of tracking three additional increases in match (i.e., up to year 16), as would have been required under the proposed version of the match scale.

AmeriCorps estimates that the reduction in required match will total less than \$100 million annually and anticipates that reducing the burden on programs to raise and report these dollars will increase economic benefits to the programs and the communities they serve. It has been estimated that each taxpayer dollar spent on AmeriCorps and AmeriCorps Seniors programs generates an over \$17 return in benefits to society, program members, and the government. *See* Dominic Modicamore and Alix Naugler, *AmeriCorps and Senior Corps: Quantifying the Impact*, Voices for National Service by ICF Incorporated, LLC, pp. 33-34 (July 2020) https://voicesforservice.org/wp-content/uploads/2020/07/ICF_AmeriCorps-and-Senior-Corps_Quantifying-the-

Impact_FINAL.pdf (note: the return on investment is based on a total of AmeriCorps and AmeriCorps Seniors programs and does not disaggregate the return for AmeriCorps State and National). Benefits to members include increased educational attainment and employment outcomes and benefits to society include the cost savings, reduced spending, and additional income resulting from national service. This final rule does not increase the amount of Federal funding invested in AmeriCorps State and National programs, but by reducing required match, the rule allows programs to devote more time to outcome-producing activities that may, in turn, increase benefits overall.

C. Criteria for Waiving Match Requirements - § 2521.70

This rule revises the criteria that grantees must demonstrate when they request a waiver of the matching requirements. Currently, the regulation requires grantees to demonstrate: (1) a lack of resources at the local level; (2) that the lack of resources is unique or unusual; (3) the efforts the grantee has made to raise matching resources; and (4) the amount of matching resources the grantee has raised or reasonably expects to raise. The final rule instead specifies four criteria and requires grantees to demonstrate only one of them, and in addition provide supporting documentation and a description of the efforts made to raise match. The final rule's waiver criteria mirror the waiver criteria required in AmeriCorps Seniors programs, with one additional criterion to allow waivers for organizations with revenue of less than \$500,000. Specifically, under the final rule, grantees have to demonstrate one of the following: initial difficulties in developing local funding sources during the first three years of operations; an economic downturn, natural disaster, or similar event in the grantee's service area that severely restricts or reduces sources of local funding support; the unexpected discontinuation of local support from one or more sources that a project has relied on for a period of years; or an organizational revenue of less than \$500,000.

The current regulations' waiver requirements are overly burdensome to grantees and enhance the risk that AmeriCorps funds will not be fully expended, because grantees must return AmeriCorps funds at closeout if they do not meet the match requirement or receive a waiver. The new waiver criteria reduce this burden and provide more consistency with AmeriCorps Seniors' match waiver criteria. To ensure consistency between the programs, the new AmeriCorps State and National match waiver criteria are identical in wording to AmeriCorps Seniors' match waiver criteria, with one additional criterion. The additional criterion in this final rule, for organizations with less than \$500,000 in revenue (as shown on an IRS Form 990, for example), is intended to encourage new, small organizations and those with programs in underserved communities. The rule still requires a description of efforts made to raise matching resources but clarifies that this description must be provided with the waiver request.

D. Limit on Number of Terms an Individual May Serve in AmeriCorps State and National - § 2522.235

The current regulation provides that individuals who serve in AmeriCorps State and National may receive the benefits offered by AmeriCorps for serving up to, but not more than, four terms. It also includes information on how terms are calculated if an individual is released early under various circumstances. The benefits offered to AmeriCorps members include the AmeriCorps Segal Education Award from the National Service Trust upon successful completion of their terms of service. Benefits during service include a living allowance, financial benefits during an extended term of disaster-related service, childcare, and health care.

Separate regulations at 45 CFR 2525.50 limit participants to receiving no more than the value of two full-time education awards. The final rule removes the four-term limit, thus allowing any individual to serve as many terms as necessary to earn the value of two full-time education awards, regardless of whether those terms are served on a full-

time, part-time, or reduced part-time basis. This revision removes an artificial barrier on individuals' ability to continue to serve.

In 2010, AmeriCorps established the four-term limit in the current regulations to ensure that there would be opportunities for all interested Americans to serve because, at the time, applications for AmeriCorps far exceeded available positions. *See* 75 FR 51395, 51406-07 (August 20, 2010). An excess demand for AmeriCorps positions no longer exists to justify this term limit. Even accounting for the possibility that demand will at some point exceed the number of AmeriCorps positions available, the current regulation's term limit is too broad a prohibition. Service terms vary considerably, encompassing full-time, part-time, reduced part-time, quarter-time, and minimum-time terms, as well as any term from which one exits after serving 15 percent of the agreed term of service. Treating each of these terms of service as equivalent for the purposes of a term limit is unfair to those who may have served shorter terms of service but would like to serve more. Individuals should be encouraged, rather than discouraged, from participating in national service. AmeriCorps believes a term limit is unnecessary, as there is already an existing limit to education awards – a significant incentive for participation in national service. To align with this existing limit to education awards funded by AmeriCorps, the final rule clarifies that AmeriCorps will fund benefits (e.g., living allowance, financial benefits during an extended term of disaster-related service, childcare, and health care) only up to the number of terms needed to attain those education awards.

III. Comments on Proposed Rule and Responses

AmeriCorps published a proposed rule with updates to the AmeriCorps State and National regulations on October 6, 2023. *See* 88 FR 69604. In response, AmeriCorps received 370 comment submissions by the December 5, 2023, comment deadline. Commenters included national service associations, State service commissions,

organizations carrying out AmeriCorps State and National programs, former and current AmeriCorps members, and others. Overall, many commenters stated that they agreed with modernizing the regulations to make them more equitable and effective but asserted that the proposed rule provided only superficial changes, added complexity and bureaucracy by relying on waivers, and would lead to increased administrative burden and risk. These commenters requested that the agency continue working on the rule to better meet the needs of AmeriCorps members and grantees and ensure that all AmeriCorps grantees have more time and resources to devote to fulfilling their programs' purposes. AmeriCorps closely reviewed each of the comments and appreciates the extensive experience upon which these comments are based. AmeriCorps afforded that experience significant weight in reviewing the comments, but ultimately must address the comments in light of what best meets AmeriCorps' mission while safeguarding taxpayer funds.

Most of the comments specifically addressed each of the four proposed substantive changes. The following discussion summarizes the comments received and AmeriCorps' responses to those comments.

A. Waiver of the Current 20 Percent Limit on Education and Training Activities - § 2520.50

1. Support for the Waiver Opportunity

A few who commented on the proposed waiver of the 20 percent limit on education and training activities to allow up to 50 percent expressed support for the waiver, as proposed. Among the reasons expressed in support of the waiver were that:

- The waiver allows programs to provide more training to members who might need it, for example by allowing members to shadow more experienced members after formal training is complete;
- The waiver increases the equitability of programs by providing members with the

opportunity to develop job skills, earn certifications, and receive other training they may not otherwise have had access to because of past court involvement, physical or learning disabilities, poverty, or other obstacles;

- The waiver would allow for more robust bridgebuilding training (that is, training that equips leaders with skills to bridge divides that limit American potential) and provide professional skills to make AmeriCorps members, including economically disadvantaged members, more adept at navigating challenges;
- The waiver would allow more members to successfully complete their term of service and gain the skills needed for employment.

Response: AmeriCorps agrees that the proposed waiver would provide for the flexibilities these commenters pointed out.

2. Opposition to the Waiver Opportunity

Three commenters opposed the change in the 20 percent limit. Among the reasons for their opposition were:

- The intent of AmeriCorps is to provide community service rather than training;
- AmeriCorps should continue to distinguish itself from existing educational and vocational training programs by maintaining its unique status as a service program in which participants learn by doing;
- The current 20 percent limit is adequate for any program whose prime purpose is service; and
- The waiver would create a two-tiered program in which better educated AmeriCorps members spend more time in service but less-educated members spend more time receiving education and training.

Response: AmeriCorps is a national service agency that is, and will remain, distinct from existing educational and vocational programs because it focuses on providing structured service opportunities with visible benefits to both the national

service participants and the communities in which they serve. AmeriCorps has heard from many grantee organizations, including many that commented on this proposed rule, that the 20 percent limit is not adequate for their programs. For several reasons, AmeriCorps does not agree that the waiver would create a two-tiered program in which “better-educated” members spend more time in service than others. First, the availability of a waiver is not predicated on members’ educational levels; second, the waiver would not necessarily be used by individual program to create two tiers that afford some members more training and education than others; third, AmeriCorps expects that in the apprenticeship program model, the education and training are directly related to the members’ service and thus enhance the service itself; and fourth, overall, the variation in AmeriCorps programs and diversity of participants in those programs is a core value of the agency.

3. Request to Delete or Raise the Limit Overall, Instead of Issuing Individual Waivers

Most who commented on the proposed waiver of the current 20 percent limit on education and training activities advocated for removing the limit entirely. These commenters stated that members in general want more professional development and training, and that all grantees should be able to offer members more for their service experience, remain equally competitive in the labor market, and respond to workforce development priorities without the burden of having to apply for a waiver. Commenters stated that the need to apply for a waiver adds bureaucracy and uncertainty to the application and recruitment process for new grantees because programs will not know whether their program design is acceptable in a timely manner.

Many of these commenters noted that AmeriCorps made member development and career pathways a strategic goal for FY22-26 and a competitive criterion in its FY24 grantmaking and asserted that the 20 percent cap undermines this goal. These

commenters stated that the 20 percent limit is outdated because it was established in the early days of AmeriCorps as a need to distinguish AmeriCorps from existing educational and vocational programs, but that in execution the limit poses administrative burdens—for timekeeping, categorizing activities as service or education/training, and monitoring—that are unnecessary management challenges and audit risks. These commenters stated that AmeriCorps’ grant application review process, grantee performance measures, and service member descriptions all better assess program design, quality, and effectiveness than an arbitrary limit on training and education hours would do. A few commenters also stated that the 20 percent limit should be eliminated because most programs need only moderate relief of the 20 percent limit to meet members’ training and development needs. At least one commenter stated that the rule is unnecessary because the statute does not establish a maximum number of education and training hours. A few of these commenters also stated that the waiver approach would create a two-tiered system for programs, based on whether they receive the waiver.

One commenter suggested raising the limit to 50 percent for all organizations, to eliminate the need for the waiver process.

Response: AmeriCorps believes that the current 20 percent limit is appropriate for most programs to ensure that members are primarily engaged in community service, but that the limit is too stringent for the types of programs that meet the waiver criteria. While all programs to some extent serve a dual purpose of community service and providing members with training and experience, the programs suitable for waivers may include those that have a dual purpose of community service and providing members with specific types of certification or job preparation and/or focus on recruiting members directly from the communities being served. Examples of programs for which the 20 percent limit is not appropriate and may meet the criteria for a waiver of the limit include Registered Apprenticeship programs, job training or job readiness programs, programs

that include activities to support member attainment of a GED or high school diploma or other credentials, or programs that primarily enroll economically disadvantaged AmeriCorps members and are designed to provide soft skills or life skills development for those members in addition to giving them opportunities to serve. AmeriCorps does not interpret the availability of a waiver as creating a “two-tiered” system because AmeriCorps will review each request for a waiver to determine eligibility and appropriateness. The waiver will accommodate these types of specialized programs to allow their participants to serve as full-time AmeriCorps members.

There will be no additional administrative burden imposed, as waivers will be submitted as part of the grant application process. The proposed plan for off-grant-cycle waivers will be streamlined and administered at the regional office level, so grantees will retain their consistent point of contact.

Tracking whether hours are spent in education/training activities versus service is necessary for both the grantee and the agency for compliance. The use of two lines in a timesheet of service and training is not overly burdensome.

4. Request for Changes to the Waiver Criteria

Some commenters stated that the criteria for waiving are too restrictive and that all programs, regardless of type or term length, should have the opportunity to provide members sufficient hours both to prepare for service and to enrich their own development. One commenter stated that the criteria are overly narrow and exclude important workforce-focused programs and therefore should be eliminated or, at a minimum, adjusted to include programs that “utilize a pre-apprenticeship model” and focus on “workforce development.”

A few commenters suggested edits to the waiver criteria including adding “or” after each provision to clarify that they are alternatives and changing or removing the criterion for “economically disadvantaged” because most members could be considered

economically disadvantaged.

Response: AmeriCorps believes the criteria are appropriately targeted to the type of programs outlined in the proposed rule. The listed criteria are intended as alternatives, and that intent is made clear by listing the “or” once before the last criterion, so it is unnecessary to add “or” after every listed criterion.

5. Questions on How the Waiver Process Would Work

A few commenters asked about how the waiver process would work, including:

- Whether commissions will have the authority to approve the waivers for formula programs (and if not, how it would work for AmeriCorps, given that the agency is planning not to have formula sub-applications submitted under the eGrants replacement system);
- Whether the waiver process will include an extra form or narrative during the grant application process;
- Whether the applicant will need to specify a percentage when it requests a waiver; and
- Whether applicants will be able to request a waiver during a continuation year (asked because the timing of lining up partnerships might not coincide with the recompetitiveness timeline, but allowing requests during continuation years adds administrative burden to track which years a waiver applies to).

Response: For formula programs, State commissions will have the authority to approve waivers of the 20 percent limit on education and training hours. Grantees may request waivers in writing as part of their grant application and receive a decision on the waiver prior to grant award. If a waiver is requested off grant application cycle, the grantee would submit it to the regional office.

B. Revising Match Requirements - § 2521.60

1. Support for Proposed Match Scale

A few commenters supported the proposed scale, and particularly supported increasing the required match percentage based on grant cycle rather than annually.

Response: AmeriCorps agrees that increasing the match scale based on grant cycle rather than annually will reduce simplify accounting and tracking.

2. Opposition to Proposed Match Scale

a. Need for More Match Relief

Several grantees noted that match is a challenge not only for new and small programs but also for long-term grantees across the country, as it takes years to cultivate a donor base and donor retention does not typically occur in perpetuity. Some commenters stated that programs are not applying for all the funds for which they are eligible, and that they need, because they cannot raise match. Commenters also noted that the match requests to date are not a good measure of the need for match relief because American Rescue Plan Act of 2021 (ARP) funding was available for cash match replacement in fiscal years 2021-2023.

Many commenters stated that the proposed delayed match scale only puts off the consequences of funding loss and grantee destabilization, because donor giving does not keep pace with rising costs. One commenter provided citations to several sources stating that charitable giving has been declining over the past several years.

A few commenters said AmeriCorps programs could still be required to document match, but that the burden of providing 50 percent for longstanding programs is unnecessary and overwhelming.

Response: AmeriCorps believes strongly that requiring match is important because the ability to cultivate and acquire match is a demonstration of community support and investment. Documentation of match is essential to assessing compliance with requirements. In finalizing the existing match scale, AmeriCorps agreed that there is a point at which match requirements can become destabilizing, but stated that a 50

percent overall match did not reach that point. However, it is clear from these and other comments that the existing match scale and proposed delayed match scale, which both reach a 50 percent overall match, are not seen as sufficient to prevent grantee destabilization. For this reason, the final rule adjusts the scale that was proposed to instead cap the maximum required match at 30 percent, rather than 50 percent.

b. Inflation and Costs Already Increase Required Match

A few commenters noted the impact of inflation, which leads programs to reduce their size and scope if they are unable to increase their fundraising and find new sources of match to keep pace with the increased member living allowance and cost per member service year (MSY). Some commenters noted that the Biden Administration's prioritization of raising member living allowances and the maximum cost per MSY means the amount of match funding increases proportionately each year, foreclosing organizations from accessing federal funds or forcing them to return unexpended funds when fundraising targets are not realized.

Response: AmeriCorps has been responsive during the Biden Administration to longstanding and consistent requests to raise the living allowance and cost per MSY to ensure that programs can adequately recruit and retain their AmeriCorps members. The final rule provides some measure of match relief by both decreasing the frequency of match increases and capping the maximum required match at 30 percent.

c. AmeriCorps' Match is More Difficult than Other Federal Agencies'

Commenters stated that, compared to other Federal programs, AmeriCorps' match percentages are "misleading" and "uniquely high" because its match is based on total program costs (e.g., a program with a 50 percent match must raise one dollar for each AmeriCorps dollar it receives) rather than relative to the Federal share (e.g., a program with 50 percent match must raise 50 cents for each Federal dollar it receives).

Response: The National and Community Service Act of 1990, as amended,

specifies that match for the AmeriCorps State and National programs must be based on the cost of carrying out the programs, including the costs of member living allowances, employment-related taxes, health care coverage, and workers' compensation and other necessary operation costs. *See* 42 U.S.C. 12571(e)(1).

d. The Proposed Match Scale Would Undermine Programs' Effectiveness

Many commenters stated that the proposed match scale perpetuates a detrimental regulation that was established to steadily decrease government investment, but instead undermines outcomes in communities and deters prospective grantees. Commenters also stated that match requirements impede organizations' efforts to provide the best experience for AmeriCorps members. A few commenters argued that raising and documenting match increases the amount of time program staff must spend on administrative activities that could be better spent supporting members and community service.

Response: The AmeriCorps match schedule was not established to steadily decrease government investment; rather, the match schedule's purpose was to leverage Federal resources to maximize support from the private sector and from State and local governments. AmeriCorps strongly believes that the ability to cultivate and acquire matching funds is a demonstration of community support and investment. AmeriCorps continues to believe that an important piece of sustainability is decreasing reliance on Federal funding and increasing the capacity of organizations that operate AmeriCorps programs to assume more of the cost. However, AmeriCorps acknowledges commenters' concerns regarding the amount of match as a deterrent to prospective grantees and a challenge for existing grantees that would prefer to focus more time and energy on attaining program outcomes and providing members with the best possible experiences. These comments have contributed to AmeriCorps' decision to adjust the proposed match scale to one that is less arduous. The final rule provides a match scale with smaller

incremental increases and a lower maximum match of 30 percent.

e. The Proposed Match Scale Increases Burden and Risk

A few commenters stated that the proposed change to frequency that the scale increases (from every year to every 3 years in a grant period and reaching 50 percent match in year 16 rather than year 10) provides only minor, temporary relief for new grantees, but for all grantees, the match scale poses risks and challenges associated with raising, tracking, and reporting match. A few commenters said AmeriCorps programs could still be required to document match, but the burden of a 50 percent match for longstanding programs is unnecessary and overwhelming.

Response: Grantees must raise, track, and report match under the existing regulation and as proposed; the final rule reduces the risks and challenges associated with these activities by reducing the frequency of the match increases and decreasing the overall maximum required match.

f. Request for 25 Percent Match in Lieu of Proposed Match Scale

Most of the commenters who addressed revising the match requirements opposed the proposed scale and instead advocated for a flat required match of 25 percent, regardless of the year of the grant. These commenters noted the difficulties that programs—particularly those in small organizations and those based in marginalized communities without philanthropic networks—face in meeting match, forcing them to withdraw or deterring them from applying in the first place. Commenters asserted that AmeriCorps’ emphasis on fiscal sustainability and diversity of funding streams has deprived some communities of needed support services by driving some successful programs out of existence and incentivizing others to transform their program models to reduce match burden. Commenters stated that capping match at a flat 25 percent would:

- Encourage more prospective grantees to apply;
- Encourage programs to invest in higher living allowances for members without

facing the heightened match requirements that correspond with higher allowances;

- Better align with other federal grant programs that require a flat match rather than a graduated match scale;
- Reduce burden on new and existing programs by providing immediate relief;
- Enhance program efficiency;
- Improve programs' ability to serve underrepresented populations;
- Reduce audit liabilities, as programs turn to the difficult-to-document in-kind support to meet an increasing match burden;
- Simplify the current match scale, which is confusing to grant applicants;
- Simplify accounting; and
- Eliminate the burden on grantees of having to apply for a match waiver (as long as the 25 percent match is met).

Many commenters reiterated points made in comments that responded to the Request for Information from Non-Federal Stakeholders: Grantee Match Requirements (RFI) (87 FR 26740 (May 5, 2022)) in support of a flat 25 percent match, including that Congress's original intent was that the Federal share not exceed 75 percent, regardless of the number of years a grantee has had the grant.

Several commenters noted that programs will continue to raise outside funds to support their programs if there is a 25 percent flat match, but the proposed scale imposes unnecessary red tape and wastes taxpayer resources without improving program outcomes. Commenters also stated that grantees must necessarily raise more than the 25 percent match because the current cost per MSY exceeds the funding AmeriCorps provides, but the time and risk associated with documenting match is unnecessarily burdensome.

Two commenters responded to the comments requesting a flat 25 percent match

and stated their opposition to doing so. One noted that the ability to obtain match is a testament to a program's integrity, weeds out programs that are not a cost-effective use of Federal funds, and keeps programs accountable. The other stated that it would limit the ability to garner support. A few advocated for keeping the current scale.

One commenter suggested a two-tiered system for match to reduce complexity.

Response: AmeriCorps believes its grantees should be fiscally sustainable and have diversity of funding streams to ensure the organizations will be able to continue to meet the needs of their communities. Raising the match to a flat rate of 25% regardless of years of funding would conflict with Congress's intention, as reflected in appropriations laws over the past several fiscal years, for grantees' share of costs to steadily increase after an initial three-year period at a 24 percent minimum share requirement. *See, e.g.,* Public Law 117-328. The final rule therefore codifies the 24 percent match requirement for the first three years and includes a steadily increasing scale. A 25 percent flat match would negatively affect new applicants and grantees that might benefit from the timing of an escalating match schedule to allow for resource cultivation and acquisition.

3. Opposition to Match, Generally

A few commenters asserted that the rationale for requiring match is not appropriate for AmeriCorps programs. For example, at least one commenter stated that match scales are based on an investment capital theory of winning additional donors and developing sustainable funding sources that is inappropriate for AmeriCorps programs because AmeriCorps programs fund national service positions and AmeriCorps exists to improve lives, strengthen communities, and foster civic engagement. Other commenters stated that a type of "match" is already built into AmeriCorps programs because members are already giving their time and talents to a degree that provides value far above the cost of their living allowances and benefits.

Response: Congress determined that match was appropriate for AmeriCorps State

and National Programs. *See* 42 U.S.C. 12571(e)(1). Additionally, AmeriCorps continues to believe that decreasing reliance on Federal funding and increasing the capacity of organizations operating AmeriCorps programs to assume more of the cost is important to sustainability.

C. Criteria for Waiving Match Requirements - § 2521.70

1. Support for the Proposed Match Waiver

Commenters stated that the proposal to meet one of four criteria, rather than meeting all, would make the process less burdensome and more equitably support communities in need.

Response: AmeriCorps agrees that the proposed alternative criteria will reduce burden and better address the difficulties in securing resources that programs serving communities in need might face.

2. Opposition to the Proposed Waiver-Based System

Most who commented on the proposed match waiver criteria stated that the criteria are an improvement but do not address the underlying need to reform match requirements, and opposed relying on match waivers as a means to give grantees relief from the proposed match scale. Commenters stated that the waiver-based system creates uncertainty for applicants and complicates their budget planning. A few noted that it is difficult for grantees to do program outreach and development when approval of the match waiver is not guaranteed.

Response: AmeriCorps believes strongly that match requirements are appropriate because the ability to cultivate and acquire match demonstrates community support and investment. That said, in order to allow for a diverse portfolio of grantees and applicants, a match waiver is necessary.

3. Requests to Change Waiver Criteria

Several commenters requested reverting from the proposed criterion “initial

difficulties in developing local funding sources during the first three years of operations” to the current criterion, “lack of resources at the local level,” to allow programs in underserved areas to continue to obtain match relief even though they may be beyond year three of their grant.

Several commenters suggested adding reference to historical challenges the program or community might face in securing match because the organizations that might most need AmeriCorps funding are often those with smaller staff and resources and less overall capacity to secure match.

Several commenters suggested replacing the flat \$500,000 threshold with the single audit threshold, because it is updated periodically, rather than being a static monetary threshold.

Response: The final rule retains the proposed language for the first three criteria for consistency with the criteria in its other agency grant-making program, AmeriCorps Seniors. AmeriCorps has determined that the additional \$500,000 threshold is appropriate as a static monetary threshold, as this is a new waiver criterion. AmeriCorps may determine at a later date that an adjustment to the threshold is appropriate, after having had the opportunity to review its implementation.

4. Comments on Waiver Process

A commenter requested that AmeriCorps allow waiver requests both early in the application process and during a grant when a grantee is faced with an unexpected financial situation, and ensure prompt approval and clear documentation of the waiver.

Response: The proposed process for match waivers will make allowances for submission both during and outside of the grantmaking process.

D. Limit on the Number of Terms Individuals May Serve in AmeriCorps State and National - § 2522.235

1. Support for Removing the Limit on the Number of Terms

Nearly every commenter who remarked on the proposed removal of the four-term limit supported the proposal. Among the reasons expressed in support of the removal of the limit were that it would:

- Increase individuals' ability to serve their community and engage in workforce development;
- Make service more equitable by allowing anyone who serves successfully to earn the value of two education awards;
- Remove an unnecessary barrier to attracting and enrolling members.

A few commenters noted that over the past decade, a very small percentage of individuals are serving more than two full-time terms of service, but that the term limit should be removed regardless of the recruiting or economic environment to ensure that positions are accessible to communities and individuals based on the mission of the program to engage citizens in addressing community needs. These commenters also noted that service as a pathway to employment is critical for individuals with disabilities or other challenges, as serving multiple terms would allow them to more deeply develop skills they need to successfully re-enter the workforce. Examples of situations commenters noted where term limits would be problematic included:

- A retired teacher who had already served four terms in a college-affiliated program but would like to serve more terms as a high-impact reading tutor;
- A parent with school-age children who was in a part-time 900-hour service term in a rural county where part-time professional positions and after-school childcare options were extremely limited, and continued service would have allowed her to both maintain her professional skills and be at home with her children when they were out of school;
- A member who started serving as a high school senior then, due to her service, decided to change her major and become a teacher but already served four terms

and so could not continue to serve through the remainder of her preparation to become a public school teacher; and

- College students who, because they are juggling education and work commitments, can only serve in less-than-full-time AmeriCorps positions, and would like to serve more than four terms over the course of their education.

Commenters noted that people may come to AmeriCorps at a wide range of ages, and a term limit can keep people from returning to service and benefitting from the skill development and community building they need at a particular life stage—whether post-high school or -college, job transitions, parenthood, retirement, etc., if they served multiple terms at a younger age. Programs sometimes lose their most effective, experienced members because they have reached their four-term limit. A number of commenters with rural-serving programs and a smaller pool of potential service candidates noted the importance of returning members to the success of their program, including in building trust with partners and communities.

Many commenters expressed the benefits to removing the limitation on terms of service, including:

- Members serving multiple terms gain experience with the programs and develop into potential program coordinators, managers, and state or national officers, as well as becoming advocates for national service;
- Members serving multiple terms support and mentor new members and those who have limited service or job experience, offering essential training, professionalism, and perspectives.

Response: AmeriCorps does not seek to limit the number of terms a member can serve; rather it seeks to adjust the limitation on the number of terms for which agency resources can be used. The final rule limits the use of agency resources that support a member to the number of terms needed to attain the aggregate value of two full-time

education awards. This aligns the time AmeriCorps resources contribute to benefits with the time required to attain the value of two full-time education awards and safeguards taxpayer funds. Should a member wish to serve beyond that limitation, they could do so, but without the grantee using AmeriCorps resources (direct investment, matching funds, education award) to support them.

2. Request for Clarification that Service Not Be Limited to the Number of Terms to Attain Two Education Awards

Several commenters requested clarification of whether members may elect to serve additional terms after they have earned the aggregate value of two full-time education awards, because the proposed regulation, as written, could unintentionally be interpreted to prevent members from continuing to serve once they have attained that aggregate value. Under that interpretation, members could not even serve the currently permitted four full-time terms. A few commenters provided examples of members who have served the four full-time terms and noted the negative effect this interpretation would have on programs' ability to recruit and retain members.

Several commenters stated that, in their experience, only a few members choose to return to service beyond their initial two years (one commenter estimated less than 2 percent of members serve more than two terms), but those that do are exceptionally valuable for the programs, leveraging their prior service experience to assume leadership roles and maintain continuity in programs and service, while maximizing their professional development experience. Commenters noted that for a select number of individuals, particularly those with the most barriers to workforce success, more than two full-time terms may be needed for the member to step seamlessly into their next workplace (or other) role.

A commenter pointed out that there is no term limit in the statute. Commenters suggested that AmeriCorps and State service commissions can take certain steps to

ensure that removal of the term limit is not abused, including working with programs to ensure they are not relying on members serving multiple terms of service, that no organizational grantee has a disproportionate number of long-term participants, and that all long-term participants are truly carrying out vital service to the community.

Response: The final rule clarifies that the number of terms an individual may serve are unlimited.

3. Whether Other Benefits Can Be Earned After Attaining the Value of Two Full-Time Education Awards

A few commenters stated their understanding that removal of the term limit would allow individuals who receive two full-time education awards to receive the other benefits of serving in AmeriCorps, such as earning a living allowance, if they continue to serve.

Response: The final rule clarifies that AmeriCorps funds the benefits of serving in AmeriCorps, such as the living allowance, up to the number of terms needed to attain the aggregate value of two full-time education awards. This approach aligns the time AmeriCorps resources contribute to benefits with the time required to attain the value of two full-time education awards and safeguards taxpayer funds. Programs may choose to continue to fund benefits from non-AmeriCorps resources for members who serve beyond that time.

IV. Changes from Proposed to Final

The final rule makes a change to the proposed match scale and clarifies the parameters for unlimited member terms in response to comments. The final rule also makes two technical updates to replace an outdated provision and outdated citations. Each of these is described below.

A. Final Match Schedule at § 2521.60

At § 2521.60(a), the final rule adjusts the proposed match scale. AmeriCorps proposed a match scale that would have increased more gradually than the existing required match until it reached 50 percent of the overall program cost by the sixteenth year. In response to the comments, which were nearly unanimous in their assertion that the proposed scale would not provide sufficient match relief, the final rule adjusts the match to an even less abrupt and steep match scale, establishing a required minimum match of 30 percent of the overall program cost by the tenth year and beyond. The final rule retains the proposed rule’s approach of increasing match less often (by grant period, rather than annually) to reduce the burden on grantees of raising, tracking, and reporting increasing annual percentages. It further simplifies the match scale by establishing the highest minimum required match in year 10, rather than year 16, relieving grantees of the need to track and keep abreast of two additional increases in the minimum match.

Specifically, the proposed rule would have established the following match schedule:

	Match Percent by Grant Period and Years					
Grant Period	First	Second	Third	Fourth	Fifth	Sixth
Grant Years	1-3	4-6	7-9	10-12	13-15	16 and beyond
Minimum overall share percentage	24	28	32	38	44	50

The final rule establishes the following match schedule, to provide grantees with match relief and minimize any deterrent the current match scale may have on prospective grantees that have less access to matching funds (e.g., those in geographic areas where there is not a philanthropic community):

	Match Percent by Grant Period and Years			
Grant Period	First	Second	Third	Fourth
Years	1-3	4-6	7-9	10 and beyond
Minimum overall share percentage	24	26	28	30

These changes to the proposed match schedule are intended to reduce burden and are not designed or intended to decrease the number of members serving or shift the

investment from grantee match to agency contribution. As noted in the proposed rule, lowering the match amount does not change the cost to run a strong AmeriCorps program. Thus, grantees will continue to have to raise additional funds beyond the required match generally, for the sustainability of their organization, but they will no longer be in danger of having to return AmeriCorps funds at the end of their grants if they fail to raise match that is so far in excess of the 25 percent indicated by statutory text. To the extent they are able, grantees are strongly encouraged to raise funding beyond the required match amount to extend the reach of national service as much as possible.

B. Clarification on Unlimited Number of Terms

The final rule clarifies the proposed rule's language, which stated that the number of terms a member may serve is limited to the number of terms needed to attain the aggregate value of two full-time education awards. As described in the response to comments, the final rule more explicitly states that an individual may continue to serve beyond that point, but that AmeriCorps will fund the member benefits only to that point. The final rule further clarifies that the grantee organization may choose to fund members' benefits, such as the living allowance, for any additional terms beyond that point. This approach aligns the time AmeriCorps resources contribute to benefits with the time required to attain the value of two full-time education awards and safeguards taxpayer funds..

C. Updates to Outdated Provisions/Citations

The final rule deletes outdated provisions that limited the Federal share of a member's living allowance to 85 percent of the minimum required living allowance. These provisions are outdated because the Serve America Act eliminated the requirement for grantees to match 15% of the member living allowance and member support cost. *See* Public Law 111-13, section 1315(1)(B)-(D) (striking what was then paragraph (a)(2) of 42 USC § 12594). The provisions appeared at §§ 2521.45(a)(1), 2521.60(a), and

2522.240(b)(6)(i) and (iii). Additionally, the final rule updates a few cross-references to reflect new section designations in the National Service Trust Education Awards final rule at 88 FR 447.21 (July 13, 2023).

V. Regulatory Analyses

A. Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. The Office of Information and Regulatory Affairs in the Office of Management and Budget has determined that this rule is not a significant regulatory action.

B. Regulatory Flexibility Act

As required by the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq.), AmeriCorps certifies that this rule, if adopted, will not have a significant economic impact on a substantial number of small entities. Most AmeriCorps State and National grantees are State commissions and organizations that do not meet the definition of a small entity. Therefore, AmeriCorps has not performed the initial regulatory flexibility analysis that is required under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) for rules that are expected to have such results.

C. Unfunded Mandates Reform Act of 1995

For purposes of Title II of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, as well as Executive Order 12875, this regulatory action does not contain any Federal mandate that may result in increased expenditures in Federal, State, local, or Tribal Governments in the aggregate, or impose an annual burden exceeding \$100

million on the private sector.

D. Paperwork Reduction Act

Under the PRA, an agency may not conduct or sponsor a collection of information unless the collections of information display valid control numbers. The application for AmeriCorps State and National grants are authorized under OMB Control Number 3045-0047, which expires September 30, 2026. Applicants for grants who would like to request a waiver under this proposed rule would do so as part of the application process, but the request is exempted from the definition of “information” subject to PRA requirements because it is a simple acknowledgment that the applicant is requesting a waiver based on one of the criteria. *See* 5 CFR 1320.3(h)(1). Therefore, this proposed rule does not affect require submission of a revision of this information collection.

E. Executive Order 13132, Federalism

Executive Order 13132, Federalism, prohibits an agency from publishing any rule that has federalism implications if the rule imposes substantial direct compliance costs on State and local Governments and is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rulemaking does not have any federalism implications, as described above.

F. Takings (Executive Order 12630)

This rule does not affect a taking of private property or otherwise have taking implications under Executive Order 12630 because this rule does not affect individual property rights protected by the Fifth Amendment or involve a compensable “taking.” A takings implication assessment is not required.

G. Civil Justice Reform (Executive Order 12988)

This rule complies with the requirements of Executive Order 12988. Specifically, this rulemaking: (a) meets the criteria of section 3(a) requiring that all regulations be

reviewed to eliminate errors and ambiguity and be written to minimize litigation; and (b) meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

H. Consultation with Indian Tribes (Executive Order 13175)

AmeriCorps recognizes the inherent sovereignty of Indian Tribes and their right to self-governance. We have evaluated this rulemaking under our consultation policy and the criteria in Executive Order 13175 and determined that this rule does not impose substantial direct effects on federally recognized Tribes.

List of Subjects

45 CFR Part 2520

Grant programs-social programs, Volunteers.

45 CFR Part 2521

Grant programs-social programs, Volunteers.

45 CFR Part 2522

Grant programs-social programs, Reporting and recordkeeping requirements, Volunteers.

For the reasons stated in the preamble, under the authority of 42 U.S.C. 12651c(c), the Corporation for National and Community Service amends Chapter XXV, title 45 of the Code of Federal Regulations as follows:

PART 2520 - GENERAL PROVISIONS: AMERICORPS SUBTITLE C PROGRAMS

1. The authority citation for part 2520 continues to read as follows:

Authority: 42 U.S.C. 12571-12595.

2. Amend § 2520.5 by adding in alphabetical order the definition “AmeriCorps” to read as follows:

§ 2520.5 What definitions apply to this part?

AmeriCorps means the Corporation for National and Community Service, established pursuant to section 191 of the National and Community Service Act of 1990, as amended, 42 U.S.C. 12651, which operates as AmeriCorps.

* * * * *

§§ 2520.10 through 2520.65 [Amended]

3. In §§ 2520.10 through 2520.65:

a. Remove the words “the Corporation” wherever they appear and add in their place the word “AmeriCorps”; and

b. Remove the word “Corporation” and add in its place the word “AmeriCorps”.

4. Revise and republish § 2520.50 to read as follows:

§ 2520.50 How much time may AmeriCorps members in my program spend in education and training activities?

(a) No more than 20 percent of the aggregate of all AmeriCorps member service hours in your program, as reflected in the member enrollments in the National Service Trust, may be spent in education and training activities, unless AmeriCorps grants a waiver under paragraph (c) of this section.

(b) Capacity-building activities and direct service activities do not count towards the 20 percent cap on education and training activities.

(c) AmeriCorps may waive the limit in paragraph (a) of this section to allow up to 50 percent of the aggregate of all AmeriCorps member service hours in your program to be spent in education and training activities if your program:

(1) Is a Registered Apprenticeship program;

(2) Is a job training or job readiness program;

(3) Includes activities to support member attainment of a GED or high school diploma or occupational, technical, or safety credentials; or

- (4) Primarily enrolls economically disadvantaged AmeriCorps members and employs a program design that also includes soft skills or life skills development.

PART 2521 - ELIGIBLE AMERICORPS SUBTITLE C PROGRAM

APPLICANTS AND TYPES OF GRANTS AVAILABLE FOR AWARD

5. The authority for part 2521 continues to read as follows:

Authority: 42 U.S.C. 12571-12595

6. Amend § 2521.5 by adding in alphabetical order the definition “AmeriCorps” to read as follows:

§ 2521.5 What definitions apply to this part?

AmeriCorps means the Corporation for National and Community Service, established pursuant to section 191 of the National and Community Service Act of 1990, as amended, 42 U.S.C. 12651, which operates as AmeriCorps.

* * * * *

§§ 2521.10 through 2521.95 [Amended]

7. In §§ 2521.10 through 2521.95:

- a. Remove the words “the Corporation” and add in their place the word “AmeriCorps”.
- b. Remove the word “Corporation” and add in its place the word “AmeriCorps”.

8. In § 2521.45, revise and republish paragraph (a) to read as follows:

§ 2521.45 What are the limitations on the Federal government’s share of program costs?

The limitations on the Federal government’s share are different—in type and amount—for member support costs and program operating costs.

(a) *Member support*: The Federal share, including AmeriCorps and other Federal funds, of member support costs, which include the living allowance required under §

2522.240(b)(1) of this chapter, FICA, unemployment insurance (if required under State law), and worker’s compensation (if required under State law), is limited as follows:

(1) If you are a professional corps described in § 2522.240(b)(2)(i) of this chapter, you may not use AmeriCorps funds for the living allowance.

(2) Your share of member support costs must be non-Federal cash.

(3) AmeriCorps’s share of health care costs may not exceed 85 percent.

* * * * *

9. In § 2521.60, revise and republish the introductory text, and paragraphs (a) and (b) to read as follows:

§ 2521.60 What will my share of program costs be?

Except as provided in paragraph (b) of this section, if your program continues to receive funding after an initial three-year grant period, you must continue to meet the minimum requirements in § 2521.45 of this part. In addition, your required share of program costs, including member support and operating costs, will incrementally increase each grant period to a 30 percent overall share by the fourth grant period and beyond (tenth year and any year thereafter that you receive a grant), without a break in funding of five years or more.

(a) *Minimum Organization Share*:(1) Subject to the requirements of § 2521.45 of this part, and except as provided in paragraph (b) of this section, your overall share of program costs will increase as of the fourth consecutive year that you receive a grant, according to the following timetable:

Table 1 to paragraph (a) --Timetable for Minimum Organization Share

Grant period	Match Percent by Grant Period and Years			
	First	Second	Third	Fourth
Grant years	1-3	4-6	7-9	10 and beyond
Minimum operating costs percentage	33	33	33	33
Minimum overall share percentage	24	26	28	30

(2) A State commission may meet its match based on the aggregate of its grantees' individual match requirements.

(b) *Alternative match requirements:* If your program is unable to meet the match requirements set forth in paragraph (a) of this section and it is located in a rural or severely economically distressed community, you may apply to AmeriCorps for a waiver that would decrease the level of your required match.

* * * * *

10. Revise and republish § 2521.70 to read as follows:

§ 2521.70 To what extent may AmeriCorps waive the matching requirements in §§ 2521.45 and 2521.60 of this part?

(a) AmeriCorps may waive, in whole or in part, the requirements of §§ 2521.45 and 2521.60 if AmeriCorps determines that a waiver would be equitable because of a lack of available financial resources at the local level.

(b) If you are requesting a waiver, you must demonstrate:

(1) Initial difficulties in the development of local funding sources during the first three years of operations; or

(2) An economic downturn, the occurrence of a natural disaster, or similar events in the service area that severely restrict or reduce sources of local funding support; or

(3) The unexpected discontinuation of local support from one or more sources that a project has relied on for a period of years; or

(4) Organizational revenue of less than \$500,000.

(c) You must provide with your waiver request:

(1) A description of the efforts you have made to raise matching resources; and

(2) A request for the specific amount of match you are asking AmeriCorps to waive; and

(3) A budget and budget narrative that reflect the requested level in matching resources.

PART 2522 - AMERICORPS PARTICIPANTS, PROGRAMS, AND APPLICANTS

11. The authority for part 2522 continues to read as follows:

Authority: 42 U.S.C. 12571-12595; 12651b-12651d; E.O. 13331, 69 FR 9911, Sec. 1612, Pub. L. 111-13.

12. Amend § 2522.10 by adding in alphabetical order the definition “AmeriCorps” to read as follows:

§ 2522.10 What definitions apply to this part?

AmeriCorps means the Corporation for National and Community Service, established pursuant to section 191 of the National and Community Service Act of 1990, as amended, 42 U.S.C. 12651, which operates as AmeriCorps.

§§ 2522.100 through 2522.950 [Amended]

13. In §§ 2522.100 through 2522.950:

- a. Remove the words “the Corporation” and add in their place the word “AmeriCorps”.
- b. Remove the words “a Corporation” and add in their place the words “an AmeriCorps”.
- c. Remove the word “Corporation” and add in its place the word “AmeriCorps”.
- d. Remove the words “the Corporation’s” and add in their place the word “AmeriCorps”.

§ 2522.220 [Amended]

14. In § 2522.220:

a. In paragraph (b), remove the citation “§2526.15” and add in its place the citation in its place the citation “§2525.15”;

b. In paragraph (f), remove the citation “§2526.50(a)” and add in its place the citation in its place the citation “§2525.50(a)”.

15. Revise § 2522.235 to read as follows:

§ 2522.235 Is there a limit on the number of terms an individual may serve in an AmeriCorps State and National program?

The number of terms an individual may serve in an AmeriCorps State and National program are not limited, but an individual may attain only the aggregate value of two full-time education awards and AmeriCorps will fund the benefits described in §§ 2522.240 through 2522.250 only for the number of terms needed to attain the aggregate value of two full-time education awards. Grantees may choose to fund benefits for any additional terms.

16. In § 2522.240, revise paragraphs (a) and (b)(6) to read as follows:

§ 2522.240 What financial benefits do AmeriCorps participants serving in approved AmeriCorps positions receive?

(a) *AmeriCorps education awards.* An individual serving in an approved AmeriCorps State and National position may receive an education award from the National Service Trust upon successful completion of their terms of service as defined in § 2522.220, consistent with the limitations in § 2526.50.

(b) ***

(6) *Limitation on Federal share.* No AmeriCorps or other Federal funds may be used to pay for a portion of the living allowance for professional corps described in paragraph (b)(2)(i) of this section.

Fernando Laguarda,

General Counsel.

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