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SENATE

REPORT
106-46

PEACE CORPS AUTHORIZATION BILL, FISCAL YEARS 2000
THROUGH 2003

MAY 11, 1999.—Ordered to be printed

Mr. HELMS, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany H.R. 669]

The Committee on Foreign Relations, to which was referred the bill (H.R. 669) to amend the Peace Corps Act to authorize appropriations for fiscal years 2000 through 2003 to carry out that Act, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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BACKGROUND AND PURPOSE

The primary purpose of H.R. 669 is to authorize the expansion of the Peace Corps to President Ronald Reagan's original goal of 10,000 volunteers. Under H.R. 669, the 10,000-volunteer target would be reached by fiscal year 2003. H.R. 669 also updates several outdated provisions of the Peace Corps Act.

THE PEACE CORPS

The Peace Corps was created by an Executive Order signed by President John F. Kennedy on March 1, 1961. Following the President's lead, the Congress affirmed his action in law on September 22, 1962 (Public Law 87-293).

In the 38 years that have followed, more than 153,000 Americans have served in the Peace Corps in 134 countries. They have addressed critical development needs on a person-to-person level, helping communities gain access to clean water; grow more food; and prevent the spread of disease. These volunteers have taught English, math, and science and helped small entrepreneurs start new businesses. In the course of their work, they have learned 180 languages and dialects.

The Peace Corps has many notable returned alumni, some of whom serve in the 106th Congress. Senator Paul Coverdell is a former Peace Corps Director. The 106th Congress also boasts six Members who are former volunteers: Senator Christopher Dodd and Representatives Sam Farr, Tony Hall, Tom Petri, Christopher Shays, and James Walsh.

The Peace Corps reached peak volunteer numbers in 1966 with 15,556 volunteers on its rolls and a budget (adjusted for 1992 dollars) of \$470 million. Volunteer numbers reached their lowest point of 5,219 in fiscal year 1987. Since then, that number has risen to a 1999 level of 6,700. The fiscal year 1999 appropriation was \$241 million.

Today, interest in the Peace Corps continues to grow. In 1997, more than 150,000 individuals contacted the Peace Corps to request information on volunteering. This represents a 40-percent increase in requests over 1994 figures. The Peace Corps budget in this same period has only been able to support a 2-percent increase in volunteer numbers. In view of this interest, both the Executive Branch and the Congress have renewed previous calls for a significant expansion of the Peace Corps toward a goal of 10,000 volunteers.

EXPANDING THE NUMBER OF VOLUNTEERS

In 1985, President Ronald Reagan made it the policy of his administration to seek the expansion of the Peace Corps to 10,000 volunteers. This goal was later set into law by the International Security and Development Cooperation Act of 1985 (Public Law 99-83) with the statement that the Peace Corps should maintain that volunteer level "consistent with programmatic and fiscal considerations." Despite a target which, from its inception, enjoyed the support of both the President and Congress, the Peace Corps has not yet reached the 10,000-volunteer goal.

The growth of the Peace Corps has been moderated by a number of issues including management and income concerns. To its credit, the Peace Corps has taken steps to streamline agency operations to channel more of its limited resources to volunteers. Headquarters staffing has been reduced 13 percent since 1993. Five of the 16 domestic recruiting offices and 13 country programs have been closed since fiscal year 1996. Since fiscal year 1992, the Corps closed 15 missions (Cook Islands, Nigeria, Seychelles, Comoros,

Marshall Islands, Sao Tome and Principe, Tunisia, Czech Republic, Hungary, Swaziland, Uruguay, Chile, Botswana, Fiji and Tuvalu). Closures in countries like Fiji and Chile were based upon a decision that the need for volunteers had been reduced by significant development in these countries. These changes have resulted in a drop (in constant dollars) of per volunteer costs of 14 percent from fiscal years 1993 to 1998.

The Committee wishes to underscore the growing importance of anticipating new kinds of threats to volunteers, including natural disasters, terrorism, crime, and civil strife associated with emerging democracies. It notes with approval the Agency's continued focus on safety and security of Peace Corps volunteers serving abroad. The Committee supports the designation of a senior level coordinator for volunteer safety and overseas security and the Agency's stated goal to continue developing and implementing comprehensive safety measures in a proactive manner.

FULFILLING PRESIDENT REAGAN'S 10,000-VOLUNTEER OBJECTIVE

In 1998, President Clinton renewed President Reagan's call for increasing the size of the Peace Corps. Although the initial plan was to bring the Peace Corps up to the 10,000 volunteer level by the year 2000, financial realities have caused that ambitious objective to be spread out over an additional 3 years (2003).

The projected annual increase in the Peace Corps budget under this authorization would represent a 51-percent growth in the size of the organization over 4 years. As such, the additional 3 years of transitional time may prove useful as the Peace Corps adjusts its management structure to ensure that concerns about programming and volunteer support are adequately addressed. In general, the expansion of programs should be undertaken to the end that such programs are effectively integrated at home and abroad and the foreign policy of the United States is best served thereby.

In fiscal year 1999, funding levels for the Peace Corps were increased from \$222 million to \$241 million. In his fiscal year 2000 budget, the President requested an increase to \$270 million. Under existing budget agreements, "no growth" assumptions mean that funding these significant increases in Peace Corps spending will require cuts in other foreign affairs programs.

In terms of volunteers, the Peace Corps anticipates that the fiscal year 2000 request would permit it to expand to 8,000 volunteers (see table below for further volunteer projections) by the end of the year. Primary growth areas generally would be the Caucasus, Central Asia and Africa, and particularly in South Africa, Jordan, China, Bangladesh and Mozambique.

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Approps in millions	226	241	270	298	327	365
Volunteer numbers	6,700	7,400	8,000	8,600	9,200	10,100

Source: Peace Corps.

With increased funding, the Peace Corps anticipates that it would continue to expand the work of the Crisis Corps. This is an experienced group of volunteers who have the skills for rapid deployment to the most challenging disaster relief and humanitarian

emergencies. In 1999, the existing 585 volunteer presence in Central America is being augmented by Crisis Corps members who are assisting with reconstruction and recovery activities like rebuilding homes and replanting crops. The Crisis Corps has also undertaken assignments in Cote d'Ivoire and Guinea (refugee assistance) and in Antigua, Madagascar, and the Czech Republic (reconstruction efforts).

In sum, H.R. 669 would authorize the President's request for an appropriation of \$270 million in fiscal year 2000 (a 12-percent increase) and amounts through fiscal year 2003 to reach the 10,000-volunteer goal by the end of fiscal year 2003. These amounts would remain subject to appropriation and would therefore fall under the budget caps and subcommittee allocations in the budget and appropriations process.

COMMITTEE ACTION

H.R. 669, to authorize appropriations for the Peace Corps was passed by the House of Representatives, received in the Senate, and referred to the Committee on Foreign Relations on March 3, 1999. It was considered by the Committee on March 23, 1999 and, a quorum being present, was ordered reported to the Senate by a voice vote with a recommendation that the bill do pass. No record votes were taken during the Committee's consideration of H.R. 669.

COST ESTIMATE

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the Committee provides the following estimates of the cost of this legislation prepared by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 25, 1999.

Hon. JESSE HELMS,
*Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has prepared the enclosed cost estimate for H.R. 669, a bill to amend the Peace Corps Act to authorize appropriations for fiscal years 2000 through 2003 to carry out that act, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

BARRY B. ANDERSON
(for Dan L. Crippen, Director.)

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 669—A bill to amend the Peace Corps Act to authorize appropriations for fiscal years 2000 through 2003 to carry out that act, and for other purposes

Summary: H.R. 669 would authorize appropriations for the Peace Corps for fiscal years 2000 through 2003. CBO estimates that appropriation of the authorized amounts would result in additional outlays of \$1.2 billion over the next five years. Because H.R. 669 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 669 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

The estimate assumes enactment of the bill and subsequent appropriation of the authorized amounts by the beginning of each fiscal year. CBO used historical spending rates to estimate outlays.

[In millions of dollars]

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004
Spending Subject to Appropriation						
Spending under current law for the Peace Corps:						
Budget authority ¹	240	0	0	0	0	0
Estimated outlays	235	49	6	1	0	0
Proposed changes:						
Authorization level	0	270	298	327	365	0
Estimated outlays	0	211	281	314	351	73
Spending under H.R. 669 for the Peace Corps:						
Authorization level ¹	240	270	298	327	365	0
Estimated outlays	235	260	287	315	351	73

¹The 1999 level is the amount appropriated for that year.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Previous CBO estimate: On February 16, 1999, CBO prepared an estimate for H.R. 669 as ordered reported by the House Committee on International Relations. The bill ordered reported by the Senate Foreign Relations Committee is identical to the House bill, and the CBO estimates are also the same.

Estimate prepared by: Joseph C. Whitehill.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

EVALUATION OF REGULATORY IMPACT

In accordance with rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the Committee has concluded that there is no regulatory impact from H.R. 669.

SECTION-BY-SECTION ANALYSIS

Section 1.—Authorization of appropriations for fiscal years 2000 through 2003 to carry out the Peace Corps Act

This section amends the Peace Corps Act to provide the following authorizations of appropriations: fiscal year 2000—\$270 million, fiscal year 2001—\$298 million, fiscal year 2002—\$327 million, fiscal year 2003—\$365 million. The Committee understands that these amounts are consistent with Office of Management and Budget and Peace Corps estimates of amounts required to meet the 10,000-volunteer target by the end of fiscal year 2003. The Committee also understands that these amounts are already part of the administration's outyear projections for fiscal years 2001–2003.

Section 2.—Miscellaneous amendments to the Peace Corps Act

Section 2(a) adds a new paragraph (13) to subsection 15(d). The new paragraph would exempt the Peace Corps from 49 U.S.C. 40118 (the "Fly America Act") with respect to flights between two points abroad to the same extent other foreign service agencies are exempt from that section (22 U.S.C. 2214(d)).

Under 49 U.S.C. subsection 40118(d), the Department of State and the Agency for International Development (AID) are exempt from the requirements of 49 U.S.C. 40118 for travel between two places outside the United States by employees and their dependents. Determining which carriers overseas are U.S. certified or have agreements with the United States that qualify them under section 40118 is a complex undertaking. Posts and individuals must make decisions in this area at the risk of having their travel costs disallowed. The Committee believes that administrative provisions affecting foreign service agencies should be as consistent as possible. For instance, a Peace Corps employee who is flying with an AID employee to attend a meeting should be able to fly on the same plane without fear of being penalized under section 40118. This provision would extend to Peace Corps employees and volunteers the same treatment now available to other foreign service agency employees.

Section 2(b) makes technical changes to sections 5, 10 and 15 of the Peace Corps Act (hereinafter the Act) to reflect changes in statutory citations that have occurred since enactment of the Act.

Section 2(b)(1) strikes out "Civil Service Commission" in section 5(f)(1)(B) and inserts in lieu thereof "Office of Personnel Management." The Civil Service Commission was replaced by the Office of Personnel Management in 1966.

Section 2(b)(2) amends section 5(h) of the Act (22 U.S.C. 2504(h)) in several respects. It strikes out references to the Federal Voting Assistance Act of 1955 (5 U.S.C. 2171 et seq.), the Act of June 4, 1954, chapter 264, section 4 (5 U.S.C. 73b), the Act of December 23, 1944, chapter 716, section 1, as amended (31 U.S.C. 492a) and

inserts references to 5 U.S.C. 5732 and 31 U.S.C. 3342. The Federal Voting Assistance Act has been repealed and replaced by a provision (42 U.S.C. 1973cc et seq.) which is available to all American citizens overseas. It is unnecessary, therefore, to consider volunteers Federal employees to provide them with the benefits of the Act; therefore, the reference to voter assistance in this provision can be deleted. The replacement of references to sections of titles 5 and 31 with references to 5 U.S.C. 5732 and 31 U.S.C. 3342 reflect recodification of provisions relating to reimbursement for the cost of transportation of baggage and effects, and check cashing privileges in those titles. No substantive change is involved.

Section 2(b)(3) replaces the reference to “section 1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16)” with “section 3331 of title 5, United States Code,” reflecting the codification of the statutory oath for employees in 1966.

Section 2(b)(4) replaces the reference to 31 U.S.C. 665(b) with “31 U.S.C. 1342,” reflecting the 1982 revision of title 31.

Section 2(b)(5) amends section 15(c) by striking out “Public Law 84–918 (7 U.S.C. 1881 et seq.)” and inserting in lieu thereof “subchapter VI of chapter 33, title 5, United States Code (5 U.S.C. 3371 et seq.)” Section 15(c) of the Peace Corps Act authorizes training for employees at private and public agencies. The statutory provisions relating to employee training were transferred from title 7 to title 5 in 1970. 22 U.S.C. 2514(c).

Section 2(b)(6) amends paragraph 15(d)(2) by striking out “section 9 of Public Law 60–328 (31 U.S.C. 673)” and inserts in lieu thereof “31 U.S.C. 1346.” This section of the Peace Corps Act authorizes the payment of expenses to attend meetings related to the Peace Corps Act. No substantive change is intended. It is another change required by the 1982 revision of title 31. 32 U.S.C. subsection 2514(d)(2).

Section 2(b)(7) strikes out “without regard to section 3561 of the Revised Statutes (31 U.S.C. 543)”. This statute, which contained a restriction on currency exchanges, has been repealed and apparently was not replaced.

Section 2(b)(8) strikes out “Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)” and inserts in lieu thereof: “Foreign Service Act of 1980, as amended (22 U.S.C. 3901 et seq.)”. The Foreign Service Act was rewritten and renamed in 1980.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported are shown as follows (existing law to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PEACE CORPS ACT

TITLE I—THE PEACE CORPS

* * * * *

AUTHORIZATION

SEC. 3. (a) * * *

(b)(1) AUTHORIZATIONS OF APPROPRIATIONS.—[There are authorized to be appropriated to carry out the purposes of this Act \$218,146,000 for fiscal year 1993, which are authorized to remain available until September 30, 1994.] *There are authorized to be appropriated to carry out the purposes of this Act \$270,000,000 for fiscal year 2000, \$298,000,000 for fiscal year 2001, \$327,000,000 for fiscal year 2002, and \$365,000,000 for fiscal year 2003.*

(2) *Amounts authorized to be appropriated under paragraph (b)(1) for a fiscal year are authorized to remain available for that fiscal year and the subsequent fiscal year.*

* * * * *

PEACE CORPS VOLUNTEERS

SEC. 5. (a) * * *

* * * * *

(f)(1) Any period of satisfactory service of a volunteer under this Act shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(A) * * *

(B) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the [Civil Service Commission] *Office of Personnel Management*, the Foreign Service Act of 1980, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government:

Provided, That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

* * * * *

(h) Volunteers shall be deemed employees of the United States Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute, [the Federal Voting Assistance Act of 1955 (5 U.S.C. 2171 et seq.), the Act of June 4, 1954, chapter 264, section 4 (5 U.S.C. 73b 75), the Act of December 23, 1944, chapter 716, section 1, as amended (31 U.S.C. 492a),] *section 3342 of title 31, United States Code, section 5732 and section 5584 of title 5, United States Code (and readjustment allowances paid under this Act shall be considered as pay for purposes of such section, and section 1 of the Act of June 4, 1920 (41 Stat. 750), as amended (22 U.S.C. 214).*

* * * * *

(j) Upon enrollment in the Peace Corps, every volunteer shall take the oath prescribed for persons appointed to any office of honor or profit by [section 1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16) and shall swear (or affirm) that he does not advocate the overthrow of our constitutional form

of government in the United States, and that he is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates.】 *section 3331 of title 5, United States Code.*

* * * * *

GENERAL POWERS AND AUTHORITIES

SEC. 10. (a) In the furtherance of the purposes of this Act, the President may—

(1) * * *

* * * * *

(4) accept in the name of the Peace Corps and employ or transfer in furtherance of the purposes of this Act (A) voluntary services notwithstanding the provisions of [31 U.S.C. 665(b)] *section 1342 of title 31, United States Code*, and (B) any money or property (real, personal or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise; and

* * * * *

UTILIZATION OF FUNDS

SEC. 15. (a) * * *

* * * * *

(c) Funds available under this Act may be used to pay costs of training employees employed or assigned pursuant to section 7(a)(2) of this Act (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firms; and the provisions of [Public Law 84-918 (7 U.S.C. 1881 et seq.)] *subchapter VI of chapter 33 of title 5, United States Code* may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: Provided, however, That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(d) Funds available for the purposes of this Act shall be available for—

(1) * * *

(2) expenses of attendance at meetings concerned with the purposes of this Act, including (notwithstanding the provisions of [section 9 of Public Law 60-328 (31 U.S.C. 673)] *section 1346 of title 31, United States Code*) expenses in connection

with meetings of persons whose employment is authorized by section 13(a) of this Act;

* * * * *

(6) exchange of funds **【without regard to section 3561 of the Revised Statutes (31 U.S.C. 543)】** and loss by exchange;

* * * * *

(11) use in accordance with authorities of the **【Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)】** *Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)* not otherwise provided for; **【and】**

(12) ice and drinking water for use abroad**【.】** ; *and*

(13) *the transportation of Peace Corps employees, Peace Corps volunteers, dependents of such employees and volunteers, and accompanying baggage, by a foreign air carrier when the transportation is between two places outside the United States without regard to section 40118 of title 49, United States Code.*

