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*Testimony of Representative Morgan Rielly presenting*

**LD 1573, “An Act to Provide Financial Relief for Certain Volunteers Under the Corporation for National and Community Service, the Maine Service Fellows and the Maine Climate Corps”**

*Before the Joint Standing Committee on Taxation*

Good morning Senator Grohoski, Representative Perry and distinguished members of the Joint Standing Committee on Taxation. My name is Morgan Rielly, and I represent House District 127, which includes part of Westbrook. I am here today to present **LD 1573, “An Act to Provide Financial Relief for Certain Volunteers Under the Corporation for National and Community Service, the Maine Service Fellows and the Maine Climate Corps.”**

In the Fall of 2022 when the CEO of AmeriCorps visited Maine, Volunteer Maine, members of the Executive Branch, and I met with him and his staff. At this meeting, I heard from several AmeriCorps members serving in the state who were living on food stamps and struggled to make ends meet because of the high cost of living and small stipend. Our AmeriCorps members shouldn't have to choose between skipping meals and serving the communities in this state. There shouldn't be any financial barriers for service. Every person who wants to serve should be able to do so and be compensated appropriately for it. This bill seeks to provide some financial relief for our volunteer service members by not taxing the award they were promised upon completion of their service, along with adding incentives to continue their service in state government.

The first part of the bill looks at making the Segal AmeriCorps Education Award tax exempt. I've forwarded a report and slides to the committee clerk and OPLA analyst that were commissioned by Volunteer Maine on the feasibility of this proposal. Service members, after completing their AmeriCorps term of service and have enrolled in the National Service Trust, are eligible to receive the Segal AmeriCorps Education Award. Former members can use this award

to repay qualified student loans. The award can also be used to pay current educational expenses at eligible institutions of higher education and training programs.

The report “found that, even in the most extreme circumstances, state revenue would decrease by no more than \$100,000 in a given year” if Segal Awards were not counted as taxable income in the state of Maine.<sup>1</sup> This is a small price to pay to assist those who desperately need relief and would be made up by our volunteer service members staying in-state. I also want to note that national service programming, like AmeriCorps, has a high return on investment. I’ve shared a fact sheet from AmeriCorps with the committee clerk to share with members of the committee. Maine’s Conservation Corps, even during the pandemic, had a return on investment of \$3 for every \$1 of federal monies invested into the program. Any costs for the tax exemption should easily be made up by the return on investment.

Additionally, this report found that even if out-of-state AmeriCorps members were to qualify for in-state tuition at public universities and colleges, every college would take a loss, but it was speculated that the loss could possibly be recuperated if such a policy change would incentivize more students to come to Maine, among other policy changes.<sup>2</sup> Maine already attracts many volunteer service members from other states. We need talented service-oriented and civic-minded young people relocating who will grow our economy and bring the in-demand skills our communities need.

The other part of the bill adds a check box on state hiring forms for those who served under the Corporation for National and Community Service, the Maine Service Fellows, or the Maine Climate Corps programs. These members, through their service, have acquired a wide variety of crucial skills in many sectors from substance use prevention and energy efficiency to fundraising and community economic development.

In the case of the Maine Service Fellows programs, one of the goals was to retain recent graduates with college or community college degrees in the state, specifically in our most rural and underserved communities after their time of service. There are many job openings currently in our state government that aren’t being filled. As of the writing of this testimony, there are over 250 jobs available. Adding a checkbox on state government hiring forms will let those hiring know an applicant is a former volunteer service member. This will also hopefully incentivize members to apply for positions and lead to Maine retaining them in the state long-term. Further, this will have a positive benefit in our local civic life and also benefit our state financially as workers with in-demand skills continue to live and work in our state.

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<sup>1</sup> Analysis of Segal AmeriCorps Education Awards in the State of Maine between 1996-2016 Patrick F. Bloniasz, Bowdoin College Prepared for: The Maine Commission for Community Service and Department of Education June 3rd, 2020

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Every Mainer should have the opportunity to serve their community. There shouldn't be a financial barrier for service. We in the legislature, along with the Executive Branch, must take steps in addressing this problem. This bipartisan bill is a modest but crucial step forward in providing support and already has the research to show its feasibility.

Thank you very much for your time and consideration. I would be happy to answer any questions or to provide you with any information for your upcoming work session.

# Supporting and Celebrating Members and Volunteers

AmeriCorps members and AmeriCorps Seniors volunteers come together to help communities across America.



## Your Benefits

We provide living allowances, education awards and access to a host of benefits during and after your service.

[EXPLORE OUR BENEFITS](#)

## AmeriCorps Member Benefits



### Living Allowance

Receive a modest living allowance to cover basic expenses during your service term.



### Money for College and Trade School

The Segal AmeriCorps Education Award is offered to individuals who complete a term of service and can be used to pay for a range of educational expenses, like repaying qualified student loans or future tuition payments. You can earn up to two full Education Awards with multiple service terms.



### Loan Deferment and Interest Forbearance

Individuals in approved AmeriCorps positions are eligible for forbearance for most federally-guaranteed student loans. In addition, interest payments that accrue during service may be eligible for repayment by AmeriCorps.



### Professional Development

Jump-start your career and gain transferable skills employers value including leadership, teamwork, and problem-solving. Once you complete your service, leverage the Employers of National Service network, which connects you with hundreds of employers from the private, public, and nonprofit sectors who are committed to hiring alumni.

## Segal AmeriCorps Education Award

After successfully completing your term of service and enrolling in the National Service Service Trust, AmeriCorps members are eligible to receive the Segal AmeriCorps Education Award. You can use the award to repay qualified student loans and to pay current educational expenses at eligible institutions of higher education and training programs.

[FIND OUT MORE](#)



## Ways You Can Use Your Educational Award

### Pay Educational Expenses

You can use your education award to pay current educational expenses at eligible schools and at certain GI Bill-approved educational programs for veterans.

Eligible schools are higher educational institutions, both domestic and foreign, that currently participate in the Department of Education's Title IV student aid programs. This category includes most post-secondary colleges, universities, and technical schools.

[Find out more >](#)

### Repay Qualified Student Loans

The Segal AmeriCorps Education Award can only be used to repay the qualified student loans listed below:

- Loans backed by the federal government under Title IV of the Higher Education Act (except PLUS Loans to parents of students)
- Loans under Titles VII or VIII of the Public Service Health Act
- Loans made by a state agency, including state institutions of higher education

## Things You Should Know

### Extending Your Award's Use Period

You must use the Education Award within a seven year period. In special cases, an alumnus can extend the use period for the Education Award, limitations apply.

[Find out more >](#)

### Transfer Your Award

Education Awards can be transferred from alumni to family members under specific conditions. Read more about how to transfer your Education Award.

[Find out more >](#)

### Tax Implications

All payments made using the Segal AmeriCorps Education Award are subject to federal tax in the year each payment is made.

[Find out more >](#)

<https://americorps.gov/members-volunteers/segal-ameri-corps-education-award>

## Maine Facts

- ★ Education Awards are earned, not granted. Since 1994, more than 7,400 Maine residents have served approximately 11 million hours and earned education awards totaling more than \$26.0 million.  
[https://americorps.gov/sites/default/files/upload/state\\_profiles/pdf\\_2023/ME%20Combined.pdf](https://americorps.gov/sites/default/files/upload/state_profiles/pdf_2023/ME%20Combined.pdf)
- ★ In the same period, over 1,500 people moved to Maine and served in AmeriCorps, spending 1.08 million hours helping Maine residents.  
National Service Trust enrollment data for Maine, 1997-2022.
- ★ Maine post-secondary education institutions received \$7.4 million for tuition and related expenses through education award payments.
- ★ Maine educational loan holders received \$607,462 in educational loan payments.  
<https://data.americorps.gov>

## Current Maine service assignment examples

- ★ Support children in pre-school classrooms who are impacted by adverse childhood experiences.
- ★ Help communities plan and implement services that will support people who want to age in their communities.
- ★ Work with community health leaders to reduce chronic health conditions among residents through education and physical activities.
- ★ Increase academic achievement and engagement in middle and high school students through mentoring and extended learning opportunities.
- ★ Decrease energy costs for residents through weatherizing homes and education about conservation.