



AmeriCorps Office of Inspector General

Comments of Stephen Ravas, Official Performing the Duties of the Inspector General, AmeriCorps Office of Inspector General Regarding FY 2027 Funding Level for AmeriCorps OIG

Under the Inspector General Act of 1978, an Inspector General may submit a separate message to Congress when “the Inspector General concludes that the budget submitted by the President would *substantially inhibit* the Inspector General from performing the duties of the office.” 5 U.S.C. § 406(g)(3)(E). The President’s Fiscal Year (FY) 2027 Budget contemplates eliminating AmeriCorps. As a result, it does not address the operational needs of the Office of Inspector General (OIG) if AmeriCorps continues to operate and *substantially inhibits* the OIG from performing our statutory duties in that scenario. This message outlines the resources necessary to sustain effective oversight of AmeriCorps as a functioning organization.

Request for Budget Increase

For FY 2027, AmeriCorps OIG requests an operating budget of \$10,095,000. This is a \$1.5 million increase over FY 2026 level.¹ Funding at the President’s Budget level, \$5.624 million, would make meaningful oversight impossible from both a staffing and resource perspective.

Our request represents a commitment to ensuring that our capacity aligns with the scope and complexity of our oversight responsibilities. The requested budget will allow us to fill key positions—a Deputy Inspector General and three auditors—necessary for management and the performance of critical grant-focused audits of almost \$1 billion in AmeriCorps funding awarded to grantees each year. It will also allow us to absorb the costs of procurement support services that AmeriCorps is no longer providing. AmeriCorps had provided procurement support for the OIG since the agency’s inception and it continues to provide such support to every other office and department within the agency.

Basis for Request

There are three key reasons supporting our request:

¹ This funding amount is still \$1.395 million dollars less than level of support that AmeriCorps OIG received in FY 2011, when converted to today’s dollars. According to the Bureau of Labor Statistics CPI Inflation Calculator, \$7.7 million in 2011 has the spending power of \$11.3 million in today’s dollars. In FY 2012, AmeriCorps OIG experienced a devastating (and unexplained) 49 percent funding cut, which forced the Office to lay off most of our auditors and investigators. The Office continues to gradually rebuild the capabilities lost as a result.

Budget Constraints: OIG oversight, operations, and return on investment are significantly limited due to our constrained budget. Over \$1 million of our budget must be allocated to our statutorily required audits, overseeing whistleblower protection, and handling Freedom of Information Act (FOIA) requests. The OIG lacks enough audit staff to conduct risk-based performance audits of grant funds, hindering both our oversight capabilities and our ability to identify and return fraudulently and inappropriately used funds to the U.S. Treasury.

Agency Operational Weaknesses: Both new and legacy weaknesses impair AmeriCorps' current and future operations and require urgent attention to mitigate risks. Additionally, AmeriCorps' staff reductions in FY 2025 left it unable to effectively manage its own oversight of the \$1 billion in grants awarded each year. The burden of additional oversight will naturally fall to the OIG, which is not resourced to expand its oversight.

Agency Withdrawal of Support Services: AmeriCorps informed the OIG that it will no longer provide procurement services for the OIG, services that AmeriCorps has traditionally provided to this office. Its decision to withdraw support compromises our ability to fulfill our oversight responsibilities because we do not have the funding to contract for procurement services, which are necessary for procuring annual audit and investigative support, services such as IT software, hardware, and technical support, and other OIG-related needs.

Budget Request Summary (in thousands)

	FY 2025 Enacted Budget	FY 2026 Enacted Budget	Proposed FY 2027 OIG Budget	Difference
Immediate Office	\$738	\$727	\$977	\$250
Office of Counsel	\$1,112	\$1,110	\$1,110	\$0
Office of Mission Support	\$698	\$618	\$887	\$269
Office of Audits	\$1,466	\$2,515	\$3,490	\$975
Office of Investigations	\$2,371	\$2,581	\$2,581	\$0
Office of Information Technology	\$1,176	\$1,010	\$1,010	\$0
CIGIE	\$34	\$34	\$40	\$6
Totals	\$7,595	\$8,595	\$10,095*	\$1,500

*OIG is requesting the continuation of no-year spending authority for statutory requirements

Proposed Bill Language

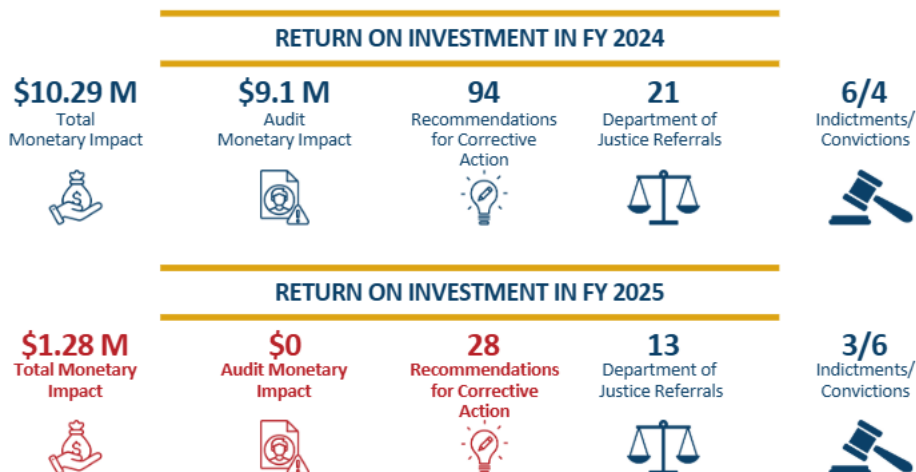
For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, \$10,095,000, of which \$1,000,000 shall remain available until expended.

Budget Constraints Impact OIG Oversight and Return on Investment

In FY 2024, AmeriCorps OIG operated with a staff of 27 employees and an appropriated budget of \$7.595 million. The OIG was able to maintain this staff size because most of our mandatory and risk-based audits were contracted with American Rescue Plan (ARP) funds. Despite our modest size and resources in FY 2024, the OIG identified approximately **\$10.29 million** that were defrauded, wasted, questioned, or could be put to better use, demonstrating a strong return on investment and underscoring the critical role of oversight in protecting taxpayer dollars. Although this is a high return for a small OIG, \$10.29 million represents only 0.002 percent of the funds reimbursed to grantees over the last five years. We believe that with sufficient staffing and resources, we could increase this return on investment.

In FY 2025, due to staffing and resources constraints, the OIG was only able to identify **\$1.28 million** in monetary impact, all the result of work led by our Office of Investigations. During this time, the OIG only had two staff Auditor positions filled, one of whom is our financial statements subject matter expert who was dedicated to handling our three mandatory audits. We had two auditor vacancies that we needed to backfill and could not hire replacements due to an increase in personnel and audit costs.

The shortage of audit personnel significantly impeded our ability to conduct effective oversight. As a result, we could not conduct risk-based performance audits of AmeriCorps grant funding leading to the return of \$0 in grant funds to the U.S. Treasury.



Our request for increased funding is essential to strengthen our capacity to deliver high-impact, timely oversight that protects federal resources and improves program performance, at an especially crucial time.

The funds requested will allow us to hire a Deputy Inspector General and three Auditors. AmeriCorps OIG's succession plan follows that the Deputy Inspector General is the successor to act in the role of Inspector General when there is a vacancy in the position, as there is now. However, as the Deputy Inspector General position remains vacant, the Counsel to the Inspector General is next in line in the succession and is currently performing the duties of Acting Inspector General. This has forced the Counsel to the Inspector General to take on several roles within the organization, and, at times, to serve in all three roles: Inspector General, Deputy Inspector General, and Counsel to the Inspector General. The Deputy Inspector General assists the Inspector General in overseeing our operations and strategic direction. They are the Chief Operating Officer of the organization, handling the day-to-day management responsibilities. The Deputy Inspector General helps to implement policies, manages the executive leaders and ensures our strategic goals are met, and also offers continuity for the Office.

The hired Auditors would enable the OIG to perform necessary risk-based performance audits of AmeriCorps grants and grant recipients, leading to an increase in monetary impact.

Position	Basis	Anticipated Annual Cost
Deputy Inspector General	Ensures there is appropriate supervision of OIG day-to-day operations.	\$250,000
Auditor	Expands OIG's ability to conduct risk-based performance audits	\$200,000
Auditor (backfill)	Expands OIG's ability to conduct risk-based performance audits	\$200,000
Auditor (backfill)	Expands OIG's ability to conduct risk-based performance audits	\$200,000
Total		\$850,000

The request for increased funding also anticipates allowing us to contract for necessary audits products described below.

Office of Audit Products	Basis	Anticipated Annual Cost
Contract Audit	Expands our audit output by providing capacity to conduct additional risk-based performance audits and evaluations.	\$250,000
Contract Evaluation	Expands our audit output by providing capacity to conduct additional risk-based performance audits and evaluations.	\$125,000
Total		\$375,000

Continued Oversight Needed to Address New and Legacy Weaknesses That Impair AmeriCorps' Current and Future Operations

Sweeping staff reductions in FY 2025 necessitated that AmeriCorps engage in a significant restructuring. The staffing reductions strained the agency's capacity to fulfill its oversight responsibilities and raise concerns about the accountability and effectiveness of its substantial investment, the nearly \$1 billion in federal grants awarded each year. AmeriCorps' staff reduction places even greater pressure on the OIG to fill a widening oversight gap—without the corresponding resources to do so.

AmeriCorps Must Restructure Appropriately. AmeriCorps OIG must monitor the agency's restructuring to ensure that the agency focuses on grant oversight and financial management and hires new staff with the knowledge, skills, and experience to be effective in those roles.

The OIG Must Engage in Additional Oversight Activities Due to AmeriCorps' Lack of Effective Grant Monitoring. The staffing reduction eliminated the Office of Monitoring. The historically low staffing levels at the agency paired with the agency's inability to effectively monitor the grant funds awarded each year create an environment ripe for misconduct. Fraudsters are more likely to exploit programs when they know oversight is weakened. At its current structure and staffing level, it is virtually impossible for AmeriCorps itself to effectively prevent or mitigate fraud, waste, and abuse by its grantees or promptly detect and correct internal abuses. In this heightened risk environment, greater independent oversight is essential to protect the integrity of AmeriCorps' programs, taxpayer dollars used, and the communities and beneficiaries served. This must include not only more audits and investigations but increasing oversight activities that produce quick results, including Management Alerts, and allow AmeriCorps to make improvements during its unprecedented level of understaffing.

Moreover, sustained oversight is necessary to ensure that AmeriCorps corrects new and legacy challenges that have long hindered effective grant management and fiscal accountability.

The Staff Reduction Harms AmeriCorps' Ability to Perform Basic Functions and Hampers AmeriCorps' Financial Reform. AmeriCorps is ill-equipped to perform most of its necessary functions, including walking AmeriCorps OIG through much of its financial management process as part of the Financial Statements Audit, providing technical assistance and training to grantees on both programmatic and financial operations across all AmeriCorps grant programs, administering grants, and conducting day-to-day oversight of grantees.

AmeriCorps has not produced auditable financial statements for the past nine years. Prior to April 2025, however, there was reason to believe that AmeriCorps would remedy some of the 11 material weaknesses identified in the FY 2024 financial statements audit. The OIG financial statements audits consistently found that AmeriCorps staff lacked the knowledge, skills, and experience necessary to reform financial management. It was essential that AmeriCorps bring in contractors to perform financial remediation activities, which it did. However, as part of the Department of Government Efficiency's effort to cut contract costs, the contractors in place to improve financial management were terminated. In addition, most AmeriCorps staff who were familiar with the financial reform process are no longer with the agency, and AmeriCorps lacks the resources and/or ability to significantly improve its financial management.

AmeriCorps is Challenged to Oversee Modernization of its Information Technology Infrastructure. One of AmeriCorps' top challenges is modernizing its outdated grants management and member management systems. Under a prior AmeriCorps leadership team, the agency unsuccessfully attempted to develop a grants and member management software platform. In 2019, that initial effort resulted in a \$33.8 million expenditure and no viable product. In November 2022, the agency undertook a new effort, expected to cost close to \$28 million, to update its grants management system and its AmeriCorps member portal. In the fall of 2024, we issued a [Management Alert](#) due to cost overruns that exceeded \$9 million—more than double the amount of the original contract for the grants management system.

AmeriCorps OIG's investigation into the grants management system contract ultimately concluded that AmeriCorps did not properly follow personnel security protocols in executing the contract and did not hold the contractor fully accountable for its inability to deliver a usable system. AmeriCorps will continue to face contract oversight challenges due to reduced staffing in its procurement office and increasing responsibilities as its shared services provider tapers its support for managing AmeriCorps contracts.

AmeriCorps Intends to Withdraw Support Services for the OIG

AmeriCorps recently informed the OIG that it will no longer support the OIG for procurements. AmeriCorps contends that it has limited funding and staff, and it needs to focus its resources to other priorities and initiatives. This change has immediate and long-term implications for the OIG and its oversight.

Lack of Funds. The OIG is attempting to find a temporary provider in order to extend existing contracts before they lapse. The OIG, however, does not have the budget to pay for procurement services that have been provided by its agency since the agency's inception in 1993.

Impact on Oversight: AmeriCorps' decision to cease supporting the OIG's procurements directly limits the OIG's ability to conduct oversight. The lack of support will affect the OIG's ability to conduct audits and reviews effectively because the OIG will need to redirect its already limited funds to cover procurement services previously provided by AmeriCorps rather than using those funds on audits of AmeriCorps grant funds.

Cascading Effects. Under the Inspector General Act of 1978, each OIG is an independent unit within their agency. Despite being part of AmeriCorps, the withdrawal of support from AmeriCorps may extend beyond procurements. There are signs that AmeriCorps will also discontinue its support for the OIG in areas such as Human Resources, Personnel, and Travel, or even seek reimbursement—actions it does not plan to undertake with any of its other offices.

If AmeriCorps were to withdraw this support, any available funding would need to be redirected to cover the essential services that AmeriCorps discontinued instead of oversight, thereby reducing the OIG's ability to conduct effective oversight.

Inability to Conduct Mandatory Audits. Although the loss of additional services is not contemplated in this budget request, if further support is withdrawn, the OIG will no longer be able to fund the \$1 million necessary to conduct our statutorily required audits and it will be necessary for AmeriCorps to assist in funding half the cost of the mandatory audits. This request is not without precedent, as AmeriCorps fully funded the mandatory audits at least once in the early 2010s when the OIG's budget was insufficient. Without AmeriCorps' assistance, the OIG will face significant challenges in meeting its auditing obligations, underscoring the vital importance of collaboration in this area.

Service	Basis	Anticipated Annual Cost
Procurement, HR, Travel Services	Allows the OIG to obtain human resources, procurement, and travel support without the need to rely on AmeriCorps.	\$275,000
Total		\$275,000

Conclusion

We respectfully request an appropriation of \$10,095,000 in FY 2027. This level of funding will enable us to restart effective risk-based, proactive, audits during a period of heightened need. It will also allow us to continue supporting AmeriCorps in enhancing its financial management practices, and restructuring and rebuilding, ensuring that services reach the communities most in need, ultimately safeguarding taxpayer dollars. This investment is not discretionary—rather it is fundamental to the integrity and continuity of our mission. Without sustained funding, we risk losing critical talent and institutional knowledge, weakening our ability to detect and respond to risks in a timely manner, and putting AmeriCorps’ programs and operations at further risk. At a time when data-driven oversight and rapid-response capabilities are more important than ever, this modest increase in resources will deliver outsized returns in accountability, operational stability, and public trust.

Without a robust investment in the OIG’s oversight capacity, Congress faces the risk of allowing billions in federal funds to go unprotected. To effectively fulfill its mission and safeguard taxpayer interests, the OIG must be equipped with the necessary staffing and resources to ensure comprehensive and proactive oversight during this critical juncture.

Enhancing our oversight capabilities not only curbs waste but also fosters a more efficient government and upholds the integrity of national service. Thank you for considering these comments and for your unwavering support of the vital mission of AmeriCorps OIG.