IMPACT REPORT
Review of National Service Trust

July 24, 2026

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
OFFICE OF INSPECTOR GENERAL
AmeriCorps

OFFICE OF INSPECTOR GENERAL

IMPACT REPORT: NATIONAL SERVICE TRUST EXECUTIVE SUMMARY

AmeriCorps OIG plays a crucial role in protecting the integrity of national and community service. Pursuant to our oversight authority under the Inspector General Act of 1978, et. sec, and our dual reporting requirements to the Legislative and Executive branches, AmeriCorps OIG prepared this report to examine the impact of AmeriCorps' April 2025 staff and funding reductions on AmeriCorps' programs and operations. This report examines the impacts the reductions had on AmeriCorps' National Service Trust (the Trust), the fund that pays out Segal Education Awards for members' successful completion of service. This report is part of a series.

THE IMPACT

COSTS: Following April 2025 staffing and funding reductions, AmeriCorps terminated the service of tens of thousands of AmeriCorps members. Due to litigation, AmeriCorps was ordered to restore certain members to their status quo prior to termination. As a result, AmeriCorps required grantees to provide affected members with credit hours for the time they were not able to provide service. The Trust incurred an over $23.8 million cost in reduced service from AmeriCorps members who were paid out education awards despite not serving all of the service hours. The early termination of service for AmeriCorps members also created a potential cost savings of approximately $4.3 Million for the Trust due to smaller payouts to members who would have potentially earned a full education award not having the opportunity to do so. AmeriCorps may also potentially continue to incur fewer costs due to the lowered number of enrollments across AmeriCorps programs.

OPERATIONS: April 2025 staffing reductions reduced Trust staff from 17 employees to five through August 2025. These actions prevented the implementation of the Trust's internal controls. In almost every function, the Trust's lack of separation of duties, due to the limited staff remaining, resulted in an environment where the Trust couldn't exert basic fiscal responsibility of the over $1 billion in Federal taxpayer dollars it is responsible for. AmeriCorps restored much of Trust staff following litigation. As of June 30, 2026, the Trust is staffed with 16 employees.

MEMBERS: Another result of the April 2025 staff and funding reductions was that AmeriCorps could not timely respond to AmeriCorps members' National Service Trust service requests. This resulted in backlogs for resolving education award related issues for members.

SCOPE AmeriCorps OIG initiated a series of special reviews to assess the impact of the April 2025 AmeriCorps staff and funding reductions across AmeriCorps programs and operations. This report examines the impact of staff and funding reductions on the National Service Trust and its ability to administer AmeriCorps' Segal Education Awards.

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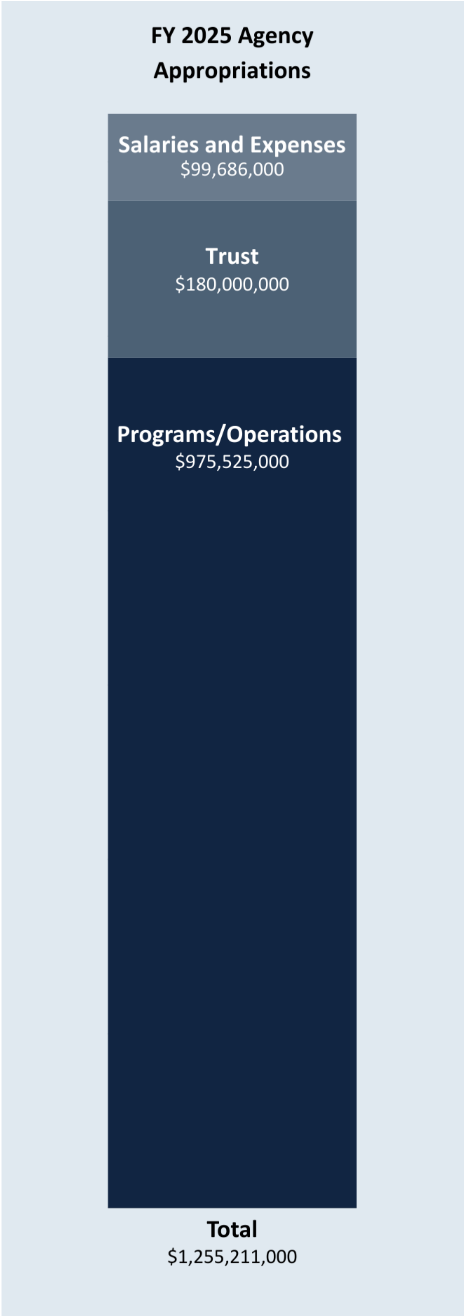
Introduction

About This Report

In May 2025, under our authority in the Inspector General Act of 1978, and consistent with our dual reporting obligations to the Legislative and Executive branches, the AmeriCorps Office of Inspector General (AmeriCorps OIG) began a series of reviews to assess the effects of the AmeriCorps' April 2025 staff reductions on costs, members, communities, and agency programs and operations. To carry out this work, AmeriCorps OIG divided the effort into multiple reports. This report examines the impacts of staff reductions on the AmeriCorps National Service Trust. For more information about our Scope and Methodology, see Appendix A.



AmeriCorps[1]

AmeriCorps is a government corporation that administers the programs and activities established under the national service laws.[2] AmeriCorps is the nation's largest issuer of grants for community service and volunteering, plays a critical role in strengthening the United States' non-profit sector, and addresses the nation's challenges through community service and volunteering. AmeriCorps awards grants and cooperative agreements to State commissions, nonprofit entities, and tribes and territories to assist in the creation of full-time and part-time national and community service programs. Through these grantees and other service initiatives, AmeriCorps provides services to meet educational, human, environmental, and public safety needs throughout the nation. In many cases, AmeriCorps' funding addresses gaps in communities across the country that private resources do not reach.

Pursuant to statutory authority, AmeriCorps operates various grant programs and service initiatives, including AmeriCorps State and National (ASN), the National Civilian Community Corps (NCCC), Volunteers in Service to America (VISTA), and AmeriCorps Seniors programs. AmeriCorps also operates the National Service Trust, a fund established by the National and Community Service Trust Act of 1993 to pay for education awards for those who have successfully completed the

[1] In September 2020, the Corporation for National and Community Service began doing business as AmeriCorps.
[2] 42 U.S.C. § 12651; see 45 C.F.R. § 2500.2(a).

required term of service in an approved national service position.[3] In FY 2025, AmeriCorps employed over 700 individuals across the country.[4]

National Service Trust

AmeriCorps' National Service Trust (the Trust) is a fund established by the National and Community Service Trust Act of 1993 to pay for Segal Education Awards and interest that accrues on qualified student loans for enrolled members who have successfully completed approved terms of national service. Congress appropriates federal funds to the Trust through its annual appropriations to AmeriCorps. In FY 2025, Congress appropriated $180,000,000 to the Trust. The Trust manages its funds by investing in U.S. Treasury securities.

Segal Education Awards

AmeriCorps members receive an education award upon having successfully completed an approved term of service or having been released from their program for compelling personal circumstances. Successful completion of a member's service term is accomplished by meeting the required number of hours of service or days of service dependent on the program. If an AmeriCorps member is released from a program for compelling personal circumstances, the AmeriCorps member is only eligible to receive a pro-rated education award proportional to the number of hours the AmeriCorps member served.[5] Compelling personal circumstances include, but are not limited to, the disability of the participant or the participant's family member, a natural disaster, the premature closure of the program, or military service obligations.[6]

AmeriCorps members have up to seven years to use their Segal Education Award. Education awards can be used to pay for current educational expenses at approved U.S. institutions as well as to pay for qualified federal student loans. Members can earn the equivalent of two full-time education awards in their lifetime. The funds remain in the Trust until an eligible AmeriCorps member notifies the Trust of the specific institution for Segal Education Award payments and the corresponding amount. The education award process is depicted in Figure 1.

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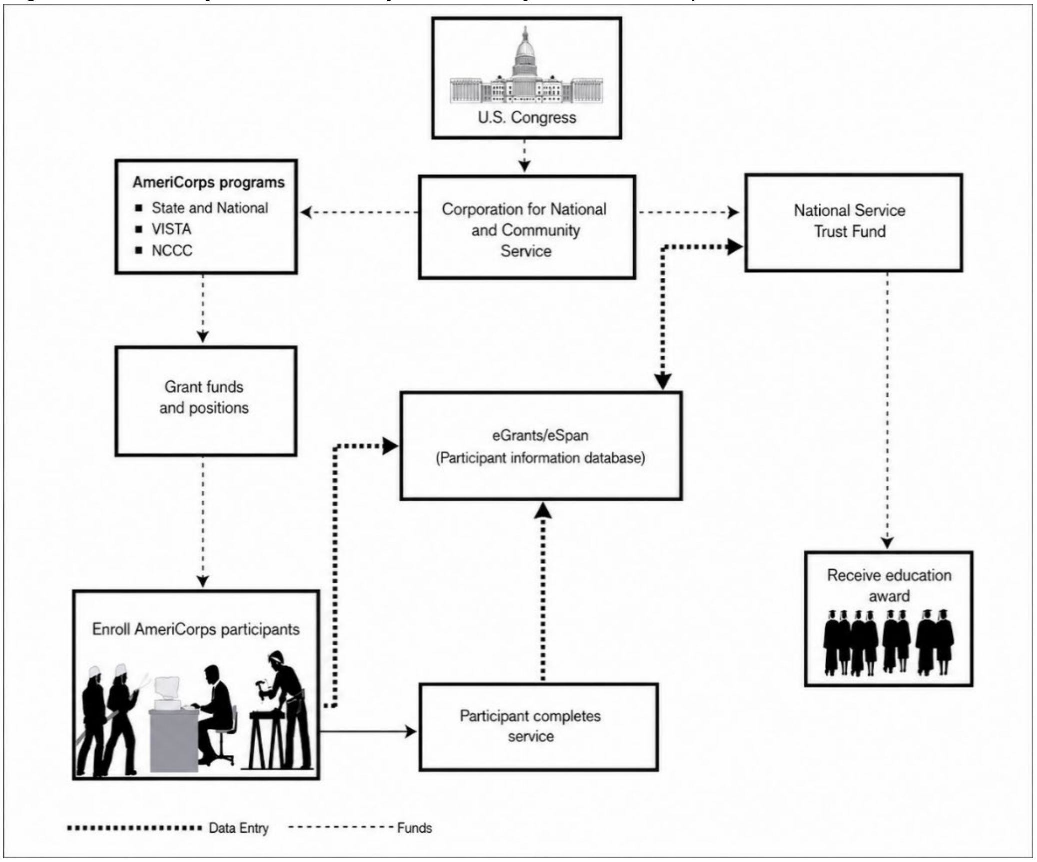
[3] The Segal Education Award is available to individuals who have successfully completed an AmeriCorps term of service. The award may be used to repay qualified student loans, and to pay current educational expenses at eligible institutions of higher education and training programs.
[4] AmeriCorps' total FY 2025 agency appropriations, depicted above, do not include funds appropriated to AmeriCorps OIG.
[5] 45 C.F.R. § 2522.230.
[6] 45 C.F.R. § 2522.230. The concept of compelling personal circumstances allows for flexibility in guiding members who encounter significant personal hardships, ensuring that their needs are acknowledged and met. This consideration is not only critical for supporting the well-being of individual members but also reflects AmeriCorps' commitment to fostering a responsive service environment. By offering options for exiting service under these circumstances, AmeriCorps aims to maintain its dedication to both community service and the personal challenges that members may face during their tenure.

Figure 1: Flow of Funds and Information for AmeriCorps Education Awards



Source: AmeriCorps

Table 1: FY25 Terms of Service for AmeriCorps State and National and NCCC[7]

Term Type	*Required Hours*	*Award Amount*
Full-Time	1700	$7,395.00
Three-Quarters-Time	1200	$5,176.50
Half-Time	900	$3,697.50
Reduced Half-Time	675	$2,817.14
Quarter-Time	450	$1,956.35
Minimum-Time	300	$1,565.08
Abbreviated Time	100	$416.17

Source: *OIG Analysis of Trust data*

AmeriCorps Programs

AmeriCorps State and National

ASN is AmeriCorps' largest grant program. AmeriCorps administers and distributes grants to States, subdivisions of States, territories, Indian tribes, and public or private nonprofit organizations to carry out the service program. Individuals participating in full- or part-time community service for finite service terms are responsible for carrying out ASN program activities. ASN members engage in activities such as tutoring at-risk youth, staffing food pantries, and building low-income housing. In exchange for their service, ASN members may receive a living allowance to cover basic living expenses. At the successful conclusion of their service terms ASN members may receive a Segal Education Award to use for eligible educational expenses. The Full-Time Segal Education Awards were valued at $7,395 in FY 2025.

Volunteers in Service to America

VISTA is one of AmeriCorps' longest-running programs, established in 1973 as part of America's "War on Poverty." This full-time volunteer service initiative is dedicated to enhancing efforts to eliminate and alleviate poverty across the nation. VISTA partners with organizations to deploy members across the country to build the capacity of those organizations, which focus on serving low-income communities. VISTA is also a grant program, but AmeriCorps primarily manages the eligibility, onboarding, and exiting of VISTA members. VISTA members are placed in non-profit organizations or state and local government agencies. In exchange for their service, VISTA members receive a living allowance to cover their basic expenses. At the successful conclusion of their full-time service terms, VISTA members may receive a Segal Education Award.

[7] NCCC members are eligible to receive a Full-time Segal Education Award. NCCC Summer of Service participants are eligible to receive a Minimum-time Segal Education Award.

National Civilian Community Corps

AmeriCorps NCCC (National Civilian Community Corps), established in 1993, is a full-time, residential service program designed for individuals aged 18 to 24. NCCC members are assigned to a campus. They work in teams to complete a variety of service projects across the United States.

NCCC is federally managed and partners with sponsor organizations that host NCCC teams. These organizations apply for teams to help with service projects, which can include housing construction and repair, trail maintenance, and assisting low-income communities with tax preparation. In return for their service, NCCC members receive a modest living allowance to help cover their basic expenses. Upon successfully completing their full-time service terms, they may also earn a Segal Education Award.

NCCC collaborates with the Federal Emergency Management Agency (FEMA) to run the FEMA Corps program, and with the United States Forest Service to manage the Forest Corps program. FEMA Corps members respond to natural disasters and work on projects related to disaster survivor assistance, logistics, planning, and public assistance. Meanwhile, Forest Corps members focus on projects aimed at wildfire risk mitigation, reforestation, environmental conservation, and resource management.

Timeline of April 2025 AmeriCorps Staff and Funding Reductions

During FY 2025, AmeriCorps experienced significant changes to its staffing, structure, and grantmaking.

In February 2025, the President signed the Executive Order "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative," which ordered a transformation of the federal government, to include plans for reductions in force (RIF) across federal agencies and requiring consultation with a Department of Government Efficiency (DOGE) Team. Office of Personnel Management (OPM) then provided guidance to the federal agencies on how to implement the President's Executive Order.

APRIL 7, 2025
AmeriCorps offered second round of DRP

APRIL 8, 2025
DOGE at AmeriCorps HQ and announcement of RIF

APRIL 15, 2025
AmeriCorps initiates complete demobilization of NCCC

APRIL 16, 2025
AmeriCorps places almost 85% of staff on administrative leave

APRIL 18, 2025
AmeriCorps cancels 102 government contracts

APRIL 24, 2025
AmeriCorps issues RIF notices to 322 employees

APRIL 25, 2025
AmeriCorps terminates 1,000+ grants and places 30,000+ ASN and VISTA members on leave

In April 2025, AmeriCorps conducted a large-scale staffing reduction in response to the Executive Order and DOGE Team directives.

April 7. AmeriCorps offered a second round of the President's Deferred Resignation Program (DRP) with an acceptance deadline of April 14.[8]

April 8. The Interim Agency Head emailed all staff that a DOGE Team had been assigned to AmeriCorps and was being welcomed that day at AmeriCorps headquarters. AmeriCorps' DOGE Team was comprised of four individuals. One primary DOGE Team member acted as the primary contact to AmeriCorps' senior officials. Later that same day, the Interim Agency Head sent an email to all staff stating that AmeriCorps was complying with the President's Executive Order on workforce optimization, and that a RIF "of up to 50 percent or more" of staff would be executed.[9]

April 15. AmeriCorps ordered a demobilization of all NCCC members. As part of this order, project sponsors and NCCC members were notified that all projects would end, and members would return to their campuses before being sent home, effective immediately.

April 16. AmeriCorps notified just under 600 AmeriCorps employees that they would be placed on administrative leave. Of those, about half were AmeriCorps employees who had elected to take the second-round DRP. Almost 85 percent of AmeriCorps staff were placed on administrative leave.

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[8] Per OPM, the DRP was a February 2025 voluntary retirement program that provided government employees with eight months of paid leave. AmeriCorps first offered the DRP when it was originally announced by OPM on February 3, 2025.
[9] Email from Interim Agency Head, to All AmeriCorps Staff, "Update on Agency Realignment Plan and Deferred Resignation Program," (Apr. 8, 2025).

April 18. AmeriCorps cancelled 102 government contracts pursuant to guidance from the DOGE Team.

April 24. AmeriCorps issued RIF notices to 322 of the employees who were placed on administrative leave.

April 25. AmeriCorps terminated 1,031 grants across all of AmeriCorps programs totaling $396,509,876 in Federal funds and suspended the service of 30,393 ASN and VISTA members. This amount represents the full grant award amounts of the terminated grants. However, since some of the grant funds had already been expended, this figure does not represent the value of federal funds retained by AmeriCorps.[10]

[10] Most grants were terminated at the subrecipient level. AmeriCorps does not have data on expenditures by subrecipient, so neither AmeriCorps nor the OIG can accurately determine amounts already expended.

Impact on **Costs**

In April 2025, AmeriCorps faced the fallout from major staffing and funding cuts, which created financial strain and disrupted essential community services. Consequently, the agency incurred a cost of $23.8 million from the Trust due to reduced member service. The reduction in members also created potential cost savings of approximately $4.3 Million from reduced member enrollment and education award payouts. The staffing and funding reductions primarily affected the enrollment of members in two AmeriCorps national service programs: AmeriCorps State and National (ASN) and National Civilian Community Corps (NCCC), creating a gap in vital support for the communities they served. [11] The ensuing efforts to restore and reactivate affected members reflect the ongoing challenges AmeriCorps faces in balancing fiscal constraints with its mission to provide essential services.

Costs Resulting from Reduced Member Service

AmeriCorps incurred an over $23.8 million cost in education award payments for members who received credit for hours the members did not actually serve. These AmeriCorps members were paid out full and pro-rated education awards despite not serving the required number of hours. The April funding reductions required AmeriCorps to terminate programs and members from service prior to fulfilling their service terms. As such, AmeriCorps required its grantees to exit members with compelling personal circumstances.[12] Due to court orders, AmeriCorps then had to restore the affected AmeriCorps members to their status quo prior to April 25, 2025. Only certain states, entities, and AmeriCorps members were parties to the litigation, and some AmeriCorps grantees did not restore their programs.

AmeriCorps issued guidance to ASN grantees for the reactivation of ASN members and guidance for the reactivations of NCCC members into service. In a June 26, 2025 email, AmeriCorps indicated to its grantees that programs were to return to providing AmeriCorps programs and services if members were willing and able to return by August 1, 2025. The email also stated that any members who were not willing, able, or responsive to communications would be exited from service with compelling personal circumstances. AmeriCorps subsequently posted the guidance on its website.

Exiting members for compelling personal circumstances is a typical part of managing AmeriCorps members. For example, in 2024, there were 834 individuals exited with compelling personal circumstances who received education awards totaling $2,033,364. According to federal regulation, education awards that are earned due to compelling personal circumstances are not full awards. AmeriCorps members exited with compelling personal circumstances are given pro-rated awards when exiting with compelling personal circumstances. For example, if a full-time member exits with compelling personal circumstances having completed 71 percent of

[11] A number of VISTA members were also affected, but no VISTA member was terminated at the time. Of the VISTA members' service that were affected, VISTA members were suspended and placed on leave in April 2025 but not exited from service.
[12] Compelling personal circumstances is defined on page 4 of this report.

the required 1,700 hours of the Full-time term of service, the member would earn an award worth 71 percent of the Full-time education award. This illustrates the financial implications of such exits, as well as the balancing act AmeriCorps performs between fiscal responsibility and fulfilling its mission to support those in need. The interplay between these costs and the need to maintain member support underscores the complexities involved in managing a service-oriented organization during periods of budgetary constraints.

Members affected by the termination of grants in April 2025 fell into three distinct cohorts:

1. **Cohort 1**: Members exited with compelling personal circumstances for hours served on or around April 25 if their program was terminated and earned *pro-rated education awards*;
2. **Cohort 2**: Members, who served with programs that chose to restore their AmeriCorps grant, exited with *full education awards*,[13] which included actual and credited service hours, if their completion date was between May 1 and July 31; and
3. **Cohort 3**: Members, who served with programs that chose to restore their AmeriCorps grant, exited with compelling personal circumstances on August 1 and earned *pro-rated education awards*, which included actual and credited service hours, if their original end service date was after August 1 and they were unwilling and unable to return to service.

Cohort Exiting Process

Cohort 1 (Members Exited with Compelling Personal Circumstances in April 2025)

In April 2025, following the grant terminations, AmeriCorps directed grantees to use compelling personal circumstances to exit all members currently serving in programs funded by the terminated grants. The April 2025 compelling personal circumstances exits issued covered time for hours that AmeriCorps members had actually served up to that date, in line with the requirements of issuing compelling personal circumstances. The earned education awards were appropriate and issued in accordance with the relevant regulation.

None of the members in this cohort returned to service in fiscal year 2025. The earned education awards for this cohort totaled $5,595,415.

Cohort 2 (Members Exited with Full Awards)

Following litigation, AmeriCorps was ordered to restore all members from programs involved in the litigation to their status quo prior to April 25, 2025.

As a result, AmeriCorps issued guidance in June 2025 to ASN grantees for the reactivation of the affected AmeriCorps members into service. The June guidance, at first, related only to the specified plaintiffs, but ultimately AmeriCorps broadened the scope of the guidance to include all terminated grant programs to the extent those grant programs wished to return to providing

[13] The term “full education award” refers to the maximum disbursement of an education award as it relates to the members’ agreed upon term of service.

AmeriCorps services. The guidance stipulated that programs would reinstate members to serve out their term if the member was willing and able by August 1, 2025.

The guidance further stipulated that members who were not willing, able, or responsive to communications by August 1 would be exited according to their original term of service end date or August 1, whichever came first. For example, if a member was exited due to April actions and their original service term end date was September 15, the member would be exited as having served until August 1 with compelling personal circumstances. If the member's original service term end date was July 31, the member would be exited for having fully completed their service on July 31 and credited service hours for the time between April and July 31.

Grantees, mostly from states that were part of the litigation, took advantage of the court order and AmeriCorps' June guidance. As a result, members whose original service term end date was between May 1, 2025 and July 31, 2025 were exited with their full education award depending on their term of service. These exits included hours that were credited to AmeriCorps members, but were not actually served, following the court orders and AmeriCorps guidance. The earned education awards for this cohort totaled $18,086,998.

Cohort 3 (Members Exited with Compelling Personal Circumstances in August)

Members who were (1) unwilling or unable to return to service and (2) whose service term end date was after August 1 were exited with compelling personal circumstances. These exits included hours that were credited to AmeriCorps members, but not actually served, following AmeriCorps June 2025 guidance. The earned education awards for this cohort totaled $5,806,915.

Total Cost

By regulation, members released for compelling personal circumstances are eligible for an education award pro-rated by the number of hours served.[14] Members in Cohorts Two and Three were issued credit hours upon which their full and pro-rated education awards were based due to agency actions taken in response to court-ordered relief. Thus, those members did not serve the actual number of hours upon which their education award was based. In most cases, they would still have received an education award, but pro-rated at a lesser amount. Unfortunately, the OIG could not determine how much of the $23.8 million in education award dollars earned were for actual hours served as opposed to credited hours. AmeriCorps did not collect this data. Instead, it directed each grantee to track this data separately.

The exits of AmeriCorps members not only led to the issuance of educational awards for hours that were not served but also deprived American communities of valuable services and support. For ASN members who received awards with compelling personal circumstances in April 2025, there were 1,648,069 service hours unfulfilled across American communities that would have been served but for the early exits.

[14] 45 C.F.R. § 2522.230. They must also complete at least 15% of their term of service.

The court order mandating living allowance and education award payments for members led to the issuance of education awards to members who were unable to provide service between April 26, 2025 and August 1 but earned an education award as if they had.

Table 2: Education Awards Earned by Members Receiving Credit Hours

Cohort	*Description*	*No. of Awards Earned*	*Amount of Awards Earned*
Cohort 2	Members Exited with Full Awards	4,192	$18,086,998
Cohort 3	Members Exited with Compelling Personal Circumstances in August	1,401	$5,806,915
Total		**5,593**	**$23,893,913**

Source: *OIG Analysis of Trust data*

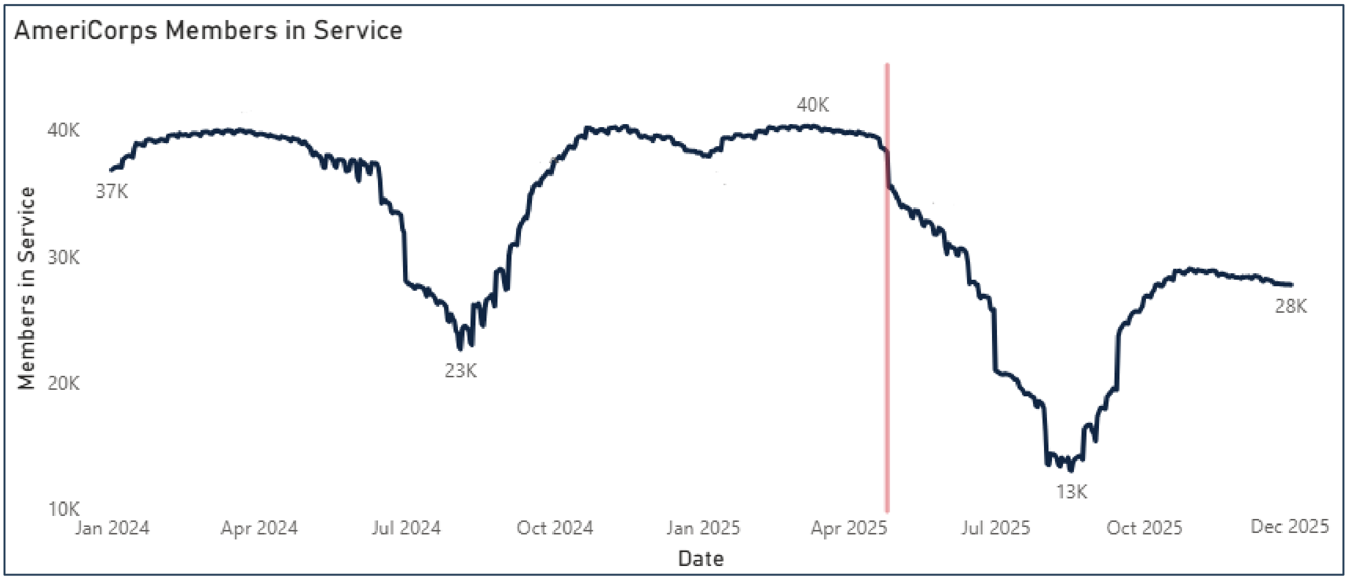
Potential Cost Savings of $4.3 Million from Reduced Member Enrollment and Education Award Payouts

The termination of service for AmeriCorps members resulted in potential future cost savings for AmeriCorps due to smaller payouts to members who would have potentially earned a full education award not having the opportunity to do so and to the lowered number of current enrollments across all AmeriCorps programs.

AmeriCorps members in Cohorts One and Three who (1) earned education awards without completing their service term and who (2) did not earn the full potential award amount account for 4,094 awards totaling $11,402,330 in education awards. If these Cohorts had completed their approved term of service and earned the maximum award amount for their term, these education awards would have amounted to $15,711,167. By exiting the Cohorts prior to the completion of their term of service, AmeriCorps saved $4,308,837 in potential future education award costs across the affected programs.

AmeriCorps may also continue to experience cost savings due to ongoing and future declines in AmeriCorps member enrollment. Member enrollments in AmeriCorps programs saw a sharp decline after April 25, 2025, resulting in the distribution of fewer education awards. From May 2025 through October 2025, all three AmeriCorps programs—ASN, VISTA, and NCCC—declined in member enrollments, especially during the Fall when member enrollments have historically been at their highest due, in large part, to recruitments for the school year. The low enrollments continued throughout the rest of calendar year 2025, as seen in **Figure 2**.

Figure 2: AmeriCorps Members in Service between 2024 and 2025



Source: *OIG analysis of member enrollment data*

As of April 2026, the calendar year 2026 enrollments have not rebounded and are below enrollment numbers for each of the past seven years. Since 2019, AmeriCorps has historically enrolled between 34,000-46,000 members on a monthly basis between the months of January through April. Between January and April 2026, AmeriCorps reached up to 29,000 monthly member enrollments. If this trend continues, the Trust will incur fewer costs and reduce its liabilities in the future.

The Trust is responsible for managing over $1 billion in cash and investments and disburses over $100 million in education awards each year. For almost a decade, the Trust has experienced financial management challenges resulting in the inability to produce auditable financial statements. External auditors consistently identify material weaknesses in the Trust's internal controls. For example, the FY 2024 Trust audit report disclosed five material weaknesses and one significant deficiency in internal controls.

Due to April 2025 staff and funding reductions, the implementation of the Trust's existing internal controls has not been possible. In almost every function, the Trust's lack of separation of duties, due to the limited staff remaining, resulted in an environment where the Trust cannot exert basic fiscal responsibility of the over $1 billion in federal taxpayer dollars for which it is responsible. The Trust's limitation in maintaining adequate internal controls significantly hinders the effective management of the Trust, putting these funds at significant risk.

The Trust's Financial Statements Prior to April 2025

Before April 2025 staff and funding reductions, the Trust had 17 employees, each playing a crucial role in supporting AmeriCorps members (who earn awards) and alumni (who use awards). Their responsibilities encompassed a variety of essential tasks:

- disseminating information about the Trust to members, alumni, educational institutions, and partner programs;
- enrolling AmeriCorps members and accurately documenting their service;
- administering education awards to alumni who successfully complete their service terms;
- facilitating the use of Segal Education Awards by alumni, including making timely payments to schools and loan holders as requested;
- assisting members in securing forbearances on their qualified student loans and managing interest payments accrued during service; and
- overseeing the Trust's investment portfolio.[15]

As the Trust's primary function is the stewardship of federal dollars for education award payments, the Standards for Internal Control in the Federal Government (Green Book) requires the Trust to create and manage an effective internal control system to safeguard federal assets, prevent fraud, promote efficiency, and ensure accountability to the federal taxpayer. Due to AmeriCorps' inability to provide documentation that support the amounts in the Trust financial statements over the last nine years, independent auditors issued a disclaimer of opinion on the Trust financial statements. The auditors issued the disclaimers because they could not perform

[15] https://my.americorps.gov/trust/help/institution/What_is_the_National_Service_Trust_.htm

the required tests of the Trust's internal controls and its compliance with federal laws and regulations. Internal controls are crucial for effectively managing the Trust.

Staffing Reductions Jeopardize Internal Controls

Due to April 2025 staff and funding reductions, the implementation of the Trust's existing internal controls has not been possible. Within this environment, Trust staff were unable to adhere to the Trust's Standard Operating Procedures (SOPs), which created an environment of increased risk.

The Breakdown of Controls

The Trust operated with three employees between May and June 2025 and with five employees until August 2025. The significant shortage of personnel, and the inability to separate essential duties, created an environment where it was neither possible for staff to effectively implement the Trust's internal controls nor follow its SOPs.

The Trust's SOPs govern functions like confirming eligible payments and authorizing them and mandating a division of responsibilities requiring multiple staff members. The inability to separate duties due to staff size creates single points of failure. The Director of the National Service Trust (the Director) was overburdened, tasked with system administration, payment verification, authorization, and member eligibility checks.

The Trust's SOPs are part of its internal control system designed to ensure compliance. The SOPs, along with the Green Book's definition of separation of duties, emphasize dividing responsibilities among different people to reduce the risk of error, fraud, and misuse. Separation of duties ensures no single individual can control all key transaction aspects (authorizing, processing, recording, and reconciling).

Inability to Adhere to SOPs

By May 2025, the remaining three Trust staff members could not follow their own SOPs due to the staffing reduction. The internal pressure to quickly process education award payments and maintain basic operations made compliance with internal controls and SOPs unfeasible.

According to the Director, the Trust's reduced staff shared responsibilities for maintaining essential education-award payment and financial-management operations. The Director assumed multiple critical roles, including becoming the primary person processing education award payments, which the Director did not previously have responsibility over. The remaining two staff focused heavily on investment management.

The Director was now primarily responsible for:

- Ensuring member and institution eligibility,
- Correcting errors and approving changes to payment requests, and
- Processing education award and interest payments within the system.

These duties were previously handled by multiple Trust Officers and required the Director's final approval. The Director's new, consolidated role inherently contradicts the basic principles of separation of duties.

Increased Risk Exposure

The core consequence of consolidating the Director's duties was a significant increase in the risk of error, fraud, and misuse—the very things internal controls are designed to prevent.

- Financial and Compliance Risk: The Director's simultaneous control over payment verification, authorization, and system administration creates a single point of failure. This means that a single individual could potentially initiate, approve, and process payments, including education awards, without independent review, substantially raising the potential for unauthorized or erroneous transactions.
- Operational Risk: With only three remaining staff members, and the Director taking on critical functions, there was no longer a system of checks and balances. Errors in eligibility checks, payment processing, or payment request corrections are likely to go undetected because the same person responsible for the mistake was also responsible for the review and approval.
- Non-Compliance: The failure to follow the Trust's own SOPs and the principles of separation of duties, as defined by standards like the *Green Book*, put the Trust in a state of non-compliance with its internal governance and potentially with federal laws, rules, and regulations related to fiduciary responsibility and fund management.

The result is an operating environment where the Trust cannot assure compliance across its various objectives, particularly the appropriate and accurate distribution of education award payments.

Restoration of Staffing

Litigation and court actions halted AmeriCorps' planned RIF. In August 2025, the agency began reinstating certain employees who were placed on administrative leave in April 2025. Members of the union's bargaining unit returned to their positions, while some non-bargaining unit members were also recalled from administrative leave or the DRP to provide supervision of returning bargaining-unit members. The agency brought back thirteen employees of the Trust in or around September 2025. Two of those employees elected to take the DRP and separated from AmeriCorps on September 30, 2025. As of June 30, 2026, the Trust was staffed with 16 employees.

Impact on **Members**

Another result of the April 2025 staff reductions was that AmeriCorps could not timely respond to members service requests. This resulted in backlogs for resolving education award related issues for members and directly affected members who had recently been terminated or had their service end.

The Trust provides information and aid to AmeriCorps members in the usage of their education awards. The Trust also helps AmeriCorps members obtain forbearance on repayments of qualified student loans and process out public service loan forgiveness requests. Generally, a sizable portion of the Trust's duties require engagement with AmeriCorps members and fielding their requests and questions. As a result of staff and funding reductions, the Trust is limited in its ability to respond to AmeriCorps members in a timely and effective manner.

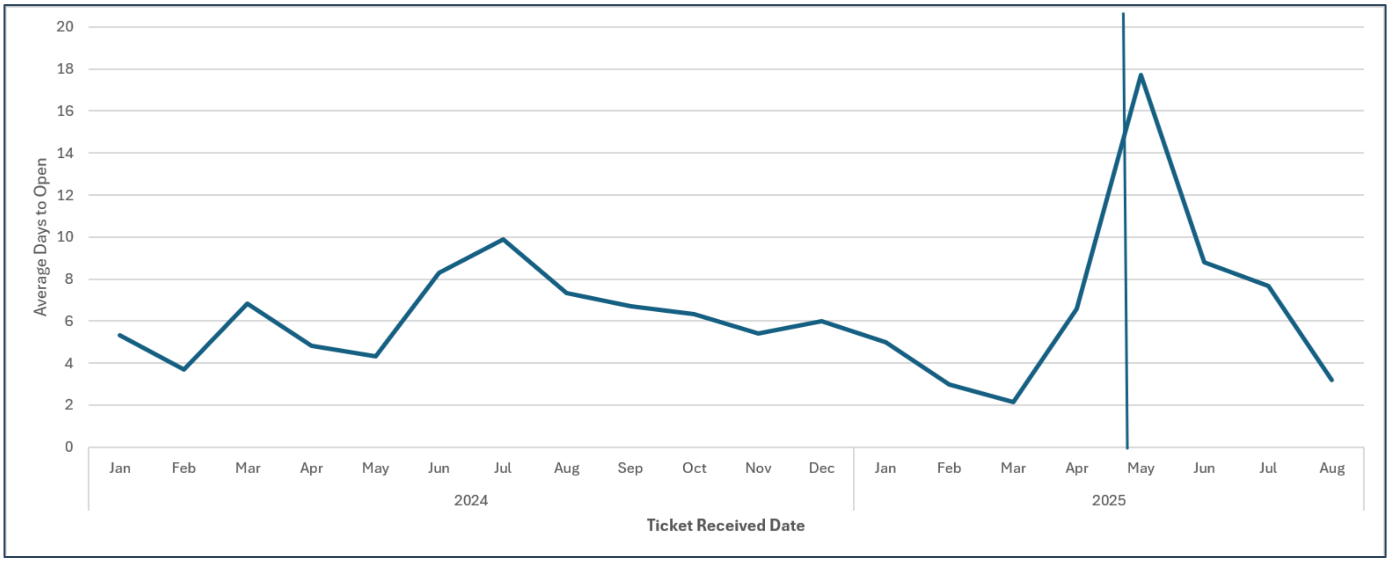
Delays in Processing Member Service Requests

To use an AmeriCorps education award, an eligible member must submit a request to the Trust through the MyAmeriCorps portal. The request must include sufficient information for the Trust to determine the payment recipient and the amount requested. The Trust then makes the payments to eligible institutions for eligible expenses. This process is typically automated by the AmeriCorps member management software. However, many requests require action by Trust staff to facilitate and confirm appropriate award usage. Outside of education award usage requests, the Trust must also facilitate members' requests for qualified student loan forbearance and public service loan forgiveness certification requests.

When the Trust receives member requests or action on the part of Trust staff is necessary, an online ticket is created, and a Trust Officer must facilitate an action on the request. Immediately following the April 2025 staff and funding reductions, the Trust experienced a sharp increase in time taken for tickets to be acted upon by staff. Between April 2025 (583 tickets) and May 2025 (689 tickets), the average time to open a ticket increased by 170 percent, from 6.6 days to 17.7 days (See Figure 3), primarily due to Trust staff's inability to timely process service requests.

Service requests generally follow a pattern revolving around secondary school calendars. The decrease in service requests that followed in the summer months as staff and funding reductions continued allowed Trust staff to catch up with service requests.

Figure 3: Average Time to Open Tickets for Trust[16]



Source: *OIG Analysis of Trust ticketing system data provided by AmeriCorps*

As the Trust is required to provide information and aid to AmeriCorps members in the usage of their education awards, it is integral that the Trust is staffed appropriately to respond to members in a timely and efficient manner. Failure to do so will create complications for some members, including hindering their ability to enroll in college courses or make payments of qualified student loans.

[16] Time to open is calculated by the difference in date and time from the "Pending At" field and the "Opened At" field in the Trust ticketing system for each individual ticket ID.

Appendix A: **Scope and Methodology**

Scope

In May 2025, the AmeriCorps Office of Inspector General (AmeriCorps OIG) initiated a series of special reviews to assess the impact of the April 2025 AmeriCorps staff and funding reductions across AmeriCorps programs and operations. To conduct our review, AmeriCorps OIG divided the work into a series of reports. This report is part of the series. Each report in the series will review the impact that AmeriCorps' staff and funding reductions have had on AmeriCorps' costs, AmeriCorps' operations, AmeriCorps members, and American communities via AmeriCorps' programs or functions. The scope of this report focuses on the staffing cuts of National Service Trust employees, as well as the 1,031 grant awards that were terminated in April 2025, and the members that were enrolled in those programs during that period.

Methodology

AmeriCorps OIG conducted an interview with the Director of the National Service Trust to discuss the impact of staffing cuts on the Trust's operations. We reviewed the existing documentation for the Trust's organizational chart, policies and standard operating procedures that were in place prior to the staffing cuts. We also queried the AmeriCorps grant system database for data on customer service requests, as well as program enrollment, exits, and earned education awards that fell within the scope of the review.

Standards

AmeriCorps OIG prepared this report in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) Quality Standards for Federal Offices of Inspector General (Silver Book) and internal AmeriCorps OIG guidance, policies, and procedures. These standards required that we obtain sufficient and appropriate evidence to provide a reasonable basis for our insights and conclusions. This work was completed between May 2025 and June 2026.