

January 22, 2025

The Honorable Brian Feldman
Chair, Education, Energy, and Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Chairman Feldman, Vice Chair Kagan, and the Honorable Members of the Education, Energy and Environment Committee,

The Department of Service and Civic Innovation respectfully requests a favorable report on Senate Bill 248 - Department of Service and Civic Innovation - Maryland Corps Program Service Year Option Pathways - Revisions.

SB0248 is the first departmental bill since the Department of Service and Civic Innovation (DSCI) creation in 2023. It reflects the lessons learned from launching and operationalizing our first two classes. The proposed changes address technical and operational improvements to enhance program efficiency, participant experience, and long-term sustainability. SB0248 has no fiscal note and will create operational and financial efficiencies.

This legislation represents a necessary step forward in ensuring the continued success and growth of the Maryland Corps and Service Year Option pathways; both provide invaluable opportunities for Marylanders to engage in service, gain workforce experience, and contribute to the state's communities.

The SERVE Act established two pathways as part of the Maryland Corps Program: the Maryland Service Year Option Pathway (Maryland Corps) and the Young Adult Service Year Option Pathway (Service Year Option). Five key operational changes and three minor technical changes are proposed.

Consolidation of the Program Fund: SB0248 would merge the two budget line items (Maryland Service Year Option Pathway Fund and the Young Adult Service Year Option Pathway Fund) into a single "Program Fund." This would allow the Department to avoid requesting additional General Funds to account for the growth in the Young Adult Service Option Pathway while still supporting the Maryland Service Year Option Pathway. This creates operational flexibility and maximizes resource efficiency without increasing the state's financial burden by consolidating funding streams for the Maryland Service Year Option Pathway Fund and the Young Adult Service Year Option Pathway Fund.

Updated Salary Requirements: SB0248 updates minimum wage requirements to the applicable county or State minimum wage, whichever is greater. Linking Member wages to the higher county or state minimum wage ensures fair compensation and keeps pace with legal labor requirements across Maryland. Currently, the Maryland Department of Service and Civic Innovation already incorporates County differences in minimum wage into Member pay, so this change will not have a fiscal impact.

Expanded Eligibility Young Adult Service Year Option Pathway: Expanding the age range for the Young Adult Service Option Pathway Members to a minimum of 18 years and a maximum of 24 years at the Program's start date broadens access for disconnected youth. Disconnected youth are teenagers and young adults between the ages of 16 and 24 who are neither working nor in school. These youth are also referred to as “opportunity youth” because reconnecting them to work and school has a positive economic and civic impact. In 2022, approximately 57,000 youth aged 18-24 in Maryland were not attending school, not working, and with no degree beyond high school. This will broaden the age eligibility to expand access to the Program based on the Department's demand during the first two years.

In addition, SB0248 maintains the high school diploma requirement but removes the Maryland-specific graduation/diploma requirements. This also will allow new Maryland residents who may have graduated from high school in a different state but meet all other eligibility criteria to qualify for the Program.

Updated Requirement for Maryland Service Year Option Pathway Eligibility: SB0248 will require Maryland Service Year Option Pathway Members to be Maryland residents. Currently, in statute, the Maryland Service Year Option Pathway gives preference to Maryland residents for eligibility but does not require it. Moving the preference to a requirement makes Maryland residency a matching requirement for both Program pathways.

Simplified Completion Award Distribution: After significant consultation with the Maryland 529 Plan, SB0248 removes the requirement that the Department provides the option of the \$6,000 completion award deposited into a tax-exempt Maryland 529 account if desired by Members. It became clear that the Department is not able to award the \$6,000 completion award to be deposited into a 529 account in a way that exempts the award from the Member's federal income tax liability, which is a requirement of 529 Plans.

The Department recognizes the value of the educational benefit the 529 Program provides and has had Maryland 529 come to speak to Members on several occasions during Class One (and will do so again for subsequent classes). Maryland 529 presented information on how to open an account, different portfolios, and how to add to contributions from their completion award or a future paycheck. This proposed change simply reflects the operational limitations in implementing the current requirement—it does not impact its spirit.

Statutory Alignment with Current Operations: This legislation eliminates outdated references, such as the inactive Executive Fellows Program, renaming The Governor's Volunteer

Council to the correct name of the Governor's Commission on Service and Volunteerism, and formally integrates the Governor's Office of Service and Volunteerism into DSCI, reflecting current operations.

These adjustments are designed to make the Maryland Service Year Option Pathway and the Young Adult Service Year Option Pathway more accessible, equitable, and sustainable. By streamlining operations and removing unnecessary barriers, SB0248 strengthens Maryland's workforce pipeline, supports economic mobility, and reinforces the state's commitment to civic engagement.

For these reasons, the Department of Service and Civic Innovation urges a favorable report on SB0248. Thank you for your time and consideration.

If you have any questions or concerns, please contact Meghan Music, Legislative Civic Innovation Specialist.

Yours in Service,

Paul Monteiro

Secretary, Maryland Department of Service and Civic Innovation