

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 850
Appropriations

(Delegate Rosenberg)

Education, Health, and Environmental Affairs

Higher Education – Maryland Corps Program Fund – COVID–19 Emergency
Funding Priorities

This bill requires, in fiscal 2022 and 2023, the Board of Directors of the Maryland Corps Program to give priority, when providing stipends and scholarships, to corps participants who serve with a nonprofit corporation or government agency that (1) provides services directly related to the response to and recovery from the COVID-19 public health emergency, as specified and (2) to the maximum extent practicable, serves or recruits from specified groups and gives priority to specified individuals who ended their terms early or returned to the United States early due to the COVID-19 emergency. If funding becomes available from the federal government as part of the development of a national contact tracing and COVID-19 public health workforce program, the bill expresses legislative intent that the funding be deposited in the Maryland Corps Program Fund. Within 30 days after receiving any such funding from the federal government, the Governor must report to the General Assembly on the Governor’s plans to utilize that funding. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: Overall funding is not directly affected, but to the extent that federal funds are provided as specified and the funding is deposited in the Maryland Corps Program Fund, special fund revenues and expenditures increase. The two-year prioritization does not necessitate additional funding; however, to provide scholarships and stipends to those eligible under current law as well as those prioritized under the bill will require additional spending.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Corps Program and Maryland Corps Program Fund were established by Chapter 654 of 2016. However, the program never received funding. Chapter 9 of 2021, which was the subject of a veto override on February 11, 2021, mandates that the fund receive \$150,000 annually and expands authorized uses of the fund. Due to the timing of when Chapter 9 was enacted, the mandated appropriation will begin in fiscal 2023.

In fiscal 2017, the operating budget included \$150,000 for the program, but the Governor did not release the funds. In addition, only one of seven members was ever appointed to the board of directors. The board was required to issue a request for proposals (RFP) for a program operator by June 1, 2017. Since the program never received funding, the RFP was never issued.

The Governor's Office on Service and Volunteerism within the Governor's Office of Community Initiatives must staff the board of directors and provide technical and other assistance to the program operator.

Maryland Corps Program and Fund

The purpose of the Maryland Corps Program is to provide at least 100 young people with meaningful service opportunities, equip corps participants with skills that will enable them to successfully transition from high school to an institution of higher education, and provide scholarships to corps participants who have completed the program.

Individuals are eligible to participate in the Maryland Corps if they:

- are between the ages of 17 and 23;
- are eligible for in-state tuition;
- have obtained a high school diploma or general equivalency diploma; and
- have not obtained a vocational certificate, associate's degree, or bachelor's degree from an institution of higher education.

Maryland Corps participants must serve for at least nine months with a nonprofit organization or government agency that has a focus on community or other service, civic engagement, volunteerism, or other activities or experiences with a similar mission. During their service, they are eligible for a stipend of up to \$15,000. Upon successful completion of their service, they are eligible for a one-time scholarship of \$6,000, to be used at a public or private nonprofit institution of higher education in the State that is certified by the

Maryland Higher Education Commission. The scholarship may not be construed to prohibit or impede the award of any other financial aid for which the participant is eligible.

The Maryland Corps Program Fund is a continuing, nonlapsing fund of the State for the purpose of (1) providing stipends and scholarships to participants; (2) covering expenses incurred by the board, including those related to issuing the RFP; and (3) covering expenses incurred by the program operator selected by board.

The board must explore the possibility of accessing federal or other grant funding for the program and awarding participants with academic credit for their service. The fund is subject to audit by the Legislative Auditor.

For fiscal 2020 and each fiscal year thereafter (until the mandated funding from Chapter 9 of 2021 takes effect), funds for the program must be as provided in the State budget for the board to:

- provide stipends to corps participants;
- provide scholarships to corps participants who have completed the program to be used at institutions of higher education in the State toward vocational certificates, associate's degrees, and bachelor's degrees;
- cover expenses incurred by the board, including expenses incurred during the development, issuance, awarding, and funding of the RFP; and
- cover expenses incurred by the operator selected, as determined by the board to be relevant to the successful operation of the program.

Expanded Purposes Allowed under Chapter 9 of 2021

Under Chapter 9 of 2021, the purpose and authorized uses of the Maryland Corps Program Fund are expanded to include (1) covering expenses incurred to study the potential use of the program as a workforce development tool; (2) covering expenses incurred to study how alumni of the program could be better positioned to meet the current and future needs of employers in the State; and (3) provide funding for the program to match gifts or grants received by the board for the fund.

State Fiscal Effect: To the extent specified federal funding becomes available and is deposited in the fund, special fund revenues and expenditures increase.

Prioritizing scholarships and stipends as specified in fiscal 2022 and 2023 does not necessitate additional funding; however, to provide scholarships and stipends to both those eligible under current law and under the bill will require additional spending. Maryland Corps members are eligible for a stipend of up to \$15,000 and a one-time scholarship of

\$6,000. To the extent federal funding is provided for this purpose, any additional expenditures may be offset.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Legislative Services

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