

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1114
Appropriations

(Delegate Rosenberg)

Public Service Internship Scholarship Program - Renaming and Funding

This bill renames the Walter Sondheim Jr. Public Service Internship Scholarship Program and specifies that the program contains certain subprograms. The bill also extends priority participation in the program to include eligible students who assist in providing services in transportation or other fields within State or local government. Beginning fiscal 2027, the bill requires the Governor to include an appropriation sufficient to provide double the number of internships funded by the program in the 2024-2025 school year. Further, the appropriation must include funding for the University of Maryland, Baltimore County (UMBC) to ensure specified numbers of interns in each subprogram totaling 100 interns. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Maryland Department of Transportation (MDOT) general fund expenditures for the MDOT Fellows program may increase by \$18,000 beginning FY 2027 to provide scholarship awards to the specified minimum number of interns. Otherwise, University System of Maryland (USM) general fund expenditures for the UMBC Shriver Center are maintained at a minimum of \$132,000 for internship awards annually beginning FY 2027. **This bill establishes a mandated appropriation beginning in FY 2027.**

Local Effect: No direct fiscal effect; however, the bill may encourage additional individuals to serve in internships with local governments.

Small Business Effect: None.

Analysis

Bill Summary: The bill renames Walter Sondheim Jr. Public Service Internship Scholarship Program to be the Public Service Internship Scholarship Program and specifies that the program consists of four subprograms of public service intern fellowships including (1) the Governor's Summer Internship Program; (2) the MDOT Fellows Program; (3) the Sondheim Maryland Nonprofit Leadership Internship Program; and (4) the Sondheim Public Service Law Fellows Program.

Current Law: Chapter 490 of 2007 established the Walter Sondheim Jr. Public Service Summer Internship Scholarship Program to assist college and graduate students with exploring public service career opportunities through summer internships. Chapter 397 of 2015 expanded the Sondheim scholarship from a summer program to include fall and spring internships and renamed it accordingly. Priority for participation in the program must be given to eligible students who (1) are residents of the State; (2) have demonstrated interest in careers in public service; and (3) assist in providing legal services to low-income State residents, social work services to low-income State residents, nursing services in nursing shortage areas, or other services in the public or nonprofit sectors in which there is a shortage of qualified practitioners for low-income or underserved residents or areas of the State.

The Shriver Center at UMBC administers the program and serves as a clearinghouse for public and nonprofit entities that wish to hire interns from the program. The program is supported with State general fund appropriations to UMBC. Award amounts, as updated under Chapter 536 of 2019, must be a minimum of \$2,000 and no more than \$5,000, subject to the availability of funds.

State Expenditures: Generally, existing expenditures for internships administered by the UMBC Shriver Center already exceed the \$200,000 mandated funding amount beginning fiscal 2027. However, the bill may require MDOT contributions for internship scholarships to increase by \$18,000 annually beginning fiscal 2027.

Across the Governor's Summer Internship Program, the MDOT Fellows Program, the Sondheim Maryland Nonprofit Leadership Internship Program, and the Sondheim Public Service Law Fellows Program, UMBC advises the programs provided internships to 39 students at a total cost of \$370,800 for scholarships and administrative expenditures in fiscal 2025. This amount includes \$80,600 in funding from MDOT for the MDOT Fellows program.

UMBC advises that doubling the number of scholarships necessitates \$328,500 in additional funding beginning fiscal 2027, bringing total costs for the program to \$699,300. However, this estimate (1) includes administrative costs to the program; (2) includes the

cost to provide scholarships sufficient to double the number of internships awarded in the 2024-2025 school year, bringing total awards across all programs up from 39 to 78 awards; and (3) includes scholarship award amounts larger than the \$5,000 cap for some subprograms (the estimate reflects \$4,500 awards for Sondheim Public Service Law Fellows, but \$6,000 awards for the Governor's Summer Internship Program, Sondheim Maryland Nonprofit Leadership Internship Program, and MDOT Fellows Program)

The Department of Legislative Services (DLS) advises that administrative expenditures for the program remain discretionary under the bill and therefore are not covered by the bill's mandates. Although the bill mandates a doubling of the number of internships in the 2024-2025 school year (which would raise the total number of internships to 78), the bill also mandates funding sufficient for a combined 100 internships across the four subprograms. Additionally, under the bill, all internship scholarship subprograms must offer a minimum of \$2,000 and up to a maximum of \$5,000 awards. Under the assumption that the bill's mandates may be fulfilled by including funding sufficient for the minimum scholarship amount (\$2,000) for 100 total students, general fund expenditures under the bill must be maintained at a minimum of \$200,000 annually beginning fiscal 2027.

Costs under the bill remain split across UMBC Shriver Center and MDOT. Beginning fiscal 2027, the Governor therefore must include \$132,000 in USM's annual budget for the program, which reflects the cost of providing the minimum \$2,000 scholarship award to 36 interns for the Governor's Summer Internship Program, 20 interns for the Sondheim Maryland Nonprofit Leadership Institute Program, and 10 interns for the Sondheim Public Service Law Fellows Program. Additionally, the Governor must include \$68,000 in funding for MDOT to ensure that 34 interns can receive the minimum \$2,000 scholarship for the MDOT Fellows Program. Total program costs of \$370,800 in fiscal 2025, including \$80,600 in funding provided through MDOT for the MDOT Fellows Program, therefore exceed the bill's mandated funding levels and there is likely no change to program funding fiscal 2027 and beyond.

However, DLS also notes that in fiscal 2025, MDOT provided only \$50,000 in funding specifically for intern scholarships (10 \$5,000 scholarships) and the remaining \$30,600 covered administrative expenditures. The bill's mandate to include \$68,000 in funding for such internships beginning fiscal 2027 therefore may necessitate reallocating \$18,000 in funding across the programmatic and administrative portions of the program. To the extent such expenditures cannot be reallocated, MDOT general fund expenditures may increase by \$18,000 annually to maintain current administrative expenditure levels while also increasing the number of scholarships to meet the minimum specified in the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

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