

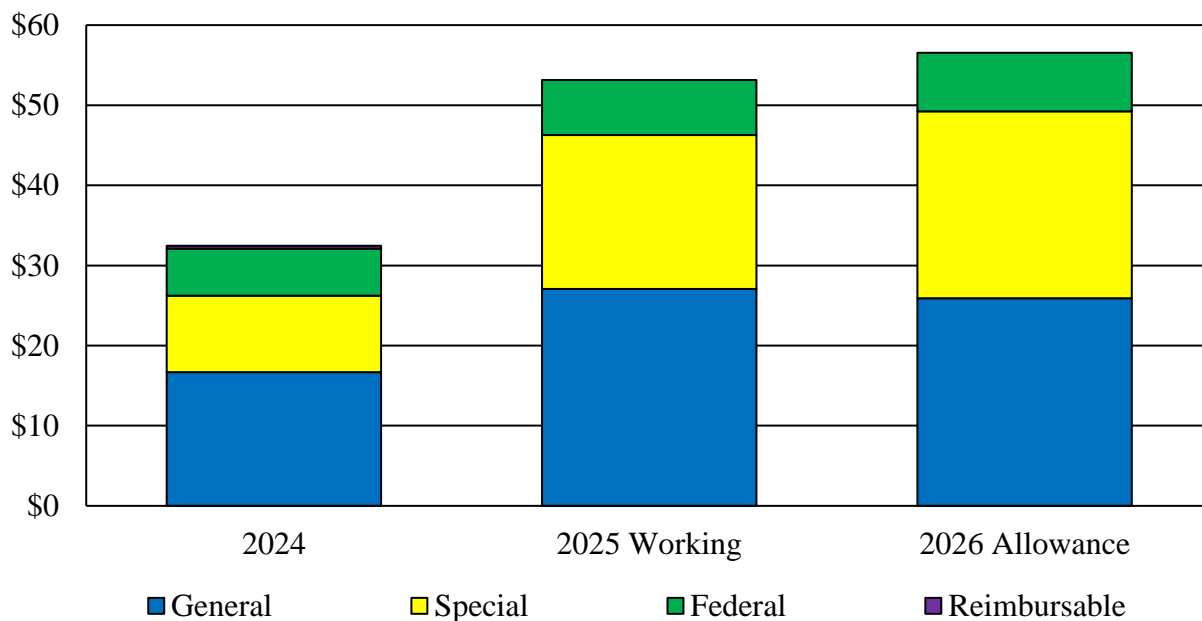
Department of Service and Civic Information

Program Description

The Department of Service and Civic Innovation (DSCI) promotes services and the use of volunteers by State and local government, employers, and nonprofit organizations. DSCI coordinates and oversees the activities of the Governor’s Commission on Service and Volunteerism. administers service programs – including the Maryland Corps Pathway programs – and recognizes volunteers in State programs. To enhance State volunteer projects, the department liaises with national, State, and local volunteerism groups. In addition to providing staff support to the Governor’s Commission on Service and Volunteerism (formerly the Governor’s Volunteer Council), DSCI will also develop and implement model programs for a statewide clearinghouse, skill banks, or information centers for volunteers and projects in the State as well as conduct studies and make recommendations to improve volunteer recruitment and training, volunteer retention, and accountability of volunteer programs.

Operating Budget Summary

Fiscal 2026 Budget Increases \$3.4 Million, or 6.4%, to \$56.6 Million (\$ in Millions)



Note: The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

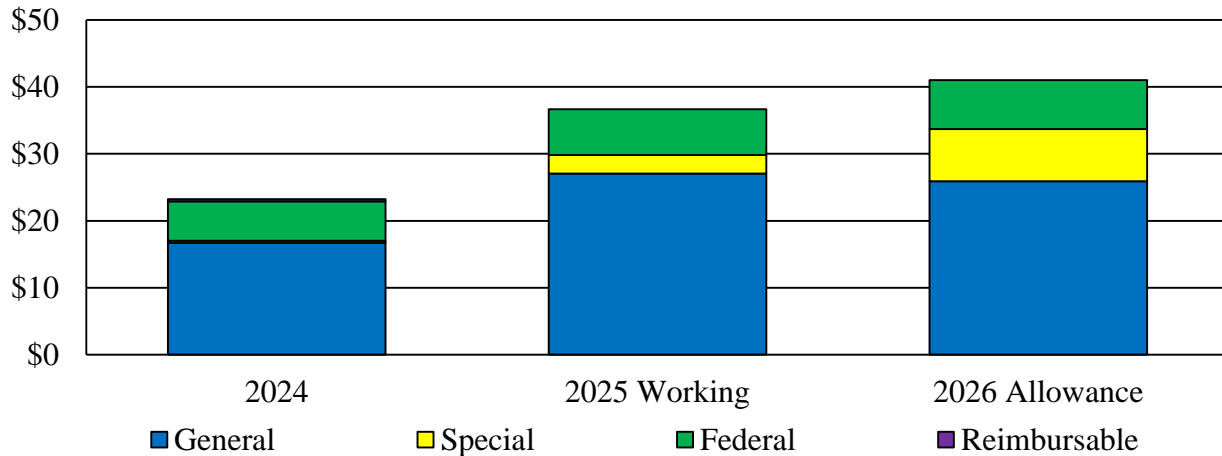
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- The fiscal 2026 budget includes language to reduce \$6.8 million in general funds and \$5.3 million in special funds contingent on the enactment of legislation that lowers the Young Adult (YA) Service Year Option Pathway participation goal and the mandated appropriation for the Maryland Service Year (MSY) Option Pathway Fund in fiscal 2026. Provisions in the Budget Reconciliation and Financing Act (BRFA) of 2025 lower the fiscal 2027 participation goal for the YA Service Year Option Pathway, establish participation goals for fiscal 2026 and 2028, and reduce the mandated appropriation for fiscal 2026 from \$15 million to \$13 million.

Fiscal 2026 special funds are primarily sourced from fiscal 2026 general funds, leading to the double counting of \$15.5 million. In addition to current year general funds, DSCI plans to use approximately \$7.8 million in pathway fund balance in fiscal 2026. The adjusted fiscal 2026 allowance for DSCI is \$41.0 million after removing the \$15.5 million in general funds deposited to the pathway funds and proposed for immediate use. As shown in **Exhibit 1**, when excluding special funds that are a result of general fund support, the fiscal 2026 allowance increases by \$4.3 million in total funds compared to the fiscal 2025 working appropriation, or by 12%, to \$41.0 million.

Exhibit 1
Three-year Funding Trends, Excluding Double Count
Fiscal 2024-2026
(\$ in Millions)



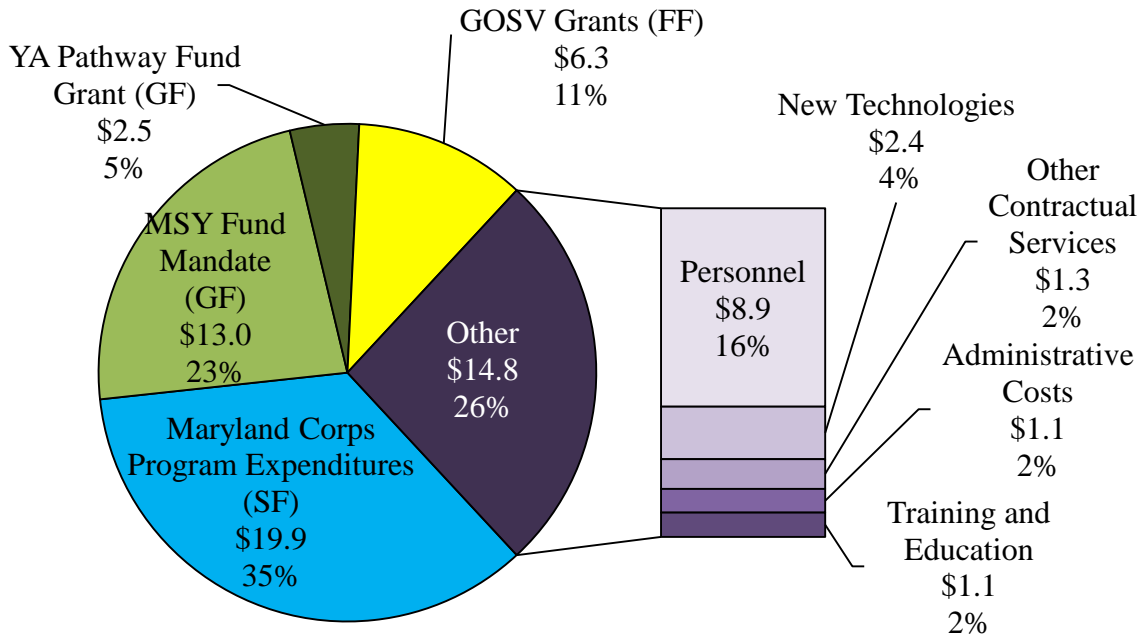
Note: The fiscal 2026 allowance includes contingent reductions. The fiscal 2025 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Source: Department of Budget and Management; Governor’s Fiscal 2026 Budget Books; Department of Legislative Services

Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for DSCI totals \$56.6 million after accounting for contingent reductions. As shown in **Exhibit 2**, most of the funding (62.7%) represents general and special funding for the pathway service year programs. General funds to be deposited in the pathway funds include the mandated appropriation to the MSY Pathway (\$13 million) and program costs of the YA Pathway (\$2.5 million). Special funds for the pathway programs for the service year option grants total \$19.9 million and include stipends (\$13.3 million), completion awards (\$4.6 million), and cost for wraparound services (\$2.0 million). Federal fund grants through the Governor’s Office on Service and Volunteerism (GOSV) (11%) support participants of the AmeriCorps program.

Exhibit 2
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



FF: federal funds
 GF: general funds
 GOSV: Governor’s Office on Service and Volunteerism

MSY: Maryland Service Year
 YA: Young Adult Service Year
 SF: special funds

Note: Fiscal 2026 includes contingent reductions. Fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Department of Budget and Management; Department of Legislative Services

Personnel expenses account for \$8.9 million, including \$6.4 million for Maryland Corps administration, \$1.9 million for DSCI headquarters administration, and \$0.7 million for GOSV administration. DSCI receives \$2.4 million for new technologies, including a customer relationship management system (\$1.0 million), a grant management system (\$500,000), and an online application portal (\$825,000). Other costs include training and education (\$741,000), program evaluation (\$392,000), consulting services (\$378,000), marketing (\$368,000), and food for training events (\$356,000).

Allowable Uses of Pathway Funds

Chapter 37 of 2022 established a mandate of \$5 million for the Maryland Corps program in fiscal 2024, increasing \$5 million each year until reaching \$20 million in fiscal 2027 and continuing at that level. The mandate transitioned to the MSY Option Pathway Fund in Chapter 99 of 2023. As defined in § 21-206, the MSY Option Pathway Fund may be used only to (1) provide stipends to MSY participants; (2) provide program completion awards to participants that complete the program; (3) cover expenses for the pathway; (4) cover expenses incurred to study how program alumni could be better positioned to meet the current and future needs of employers in the State; (5) provide matching funds for grants received; and (6) assist in the creation of additional Maryland Corps programs.

Chapter 99 established target participation goals for the YA program of 200 in the first year of implementation and 2,000 in the fourth year of implementation, with no requirement associated with meeting this target. Chapter 99 also established the YA Service Year Option Pathway Fund. As defined in § 21-205, the YA Service Year Option Pathway Fund may be used to (1) provide stipends to YA Pathway participants; (2) pay the costs of administering the pathway; and (3) assist in the creation of additional Maryland Corps programs. In fiscal 2025, \$9.2 million in general funds was allocated for deposit to the YA Service Year Option Pathway Fund to pay stipends and/or program completion awards. In fiscal 2026, \$2.5 million in general funds was allocated for deposit into the YA Service Year Option Pathway Fund.

For fiscal 2024 through 2026 only, general funds provided to the MSY Option Pathway Fund and the YA Service Year Option Pathway Fund are not subject to reversion. In fiscal 2025, \$18.3 million in general funds are available for program stipend and completion awards for both pathways. In fiscal 2026, \$15.5 million is available, with special fund balance being used for remaining grant costs. By fiscal 2027, Maryland Corps is expected have State funds only through general funds. DSCI notes it may also receive external resources. .

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2026 allowance increases by \$3.4 million (6.4%) compared to the fiscal 2025 working appropriation. General fund and special fund expenditure increases are driven by the department's service year option program. Funding increases for personnel, as 12 positions are converted from contractual full-time equivalents to regular positions (\$234,000) and 26 new positions are added for expansion of the Service Year Option program

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(\$2.05 million). The largest change outside of personnel and service year option grants is \$1.0 million in new funding for a customer relationship management system. DSCI reports that the funding will be used to improve service delivery by enhancing technologies used to engage with host site partners and members. **Due to the financial condition of the State and early stage of Maryland Corps implementation, the Department of Legislative Services (DLS) recommends delaying procurement of the customer relationship management system and reducing \$1,038,500 in general funds.**

**Exhibit 3
Proposed Budget
Department of Service and Civic Innovation
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2024 Actual	\$16,685	\$9,544	\$5,866	\$369	\$32,464
Fiscal 2025 Working Appropriation	27,067	19,221	6,869	0	53,156
Fiscal 2026 Allowance	<u>25,924</u>	<u>23,325</u>	<u>7,311</u>	<u>0</u>	<u>56,559</u>
Fiscal 2025-2026 Amount Change	-\$1,143	\$4,104	\$442	\$0	\$3,403
Fiscal 2025-2026 Percent Change	-4.2%	21.4%	6.4%		6.4%

Where It Goes:	Change
Personnel Expenses	
Addition of 22 new service success coaches	\$1,749
Conversion of 12 contractual FTEs to regular positions	954
Employees’ and retirees’ health insurance premiums	703
Salary increases and associated fringe benefits, including the fiscal 2025 COLA and increments	499
Addition of 4 new administrators	307
Turnover rate decreased from 9.78% to 9.51%	23
Service Year Program Changes	
MSY mandated appropriation (GF).....	5,750
Mandated MSY appropriation (SF).....	3,000
Service Year Option Program grants (GF).....	-1,812
YA grants (SF).....	-2,314
YA grants (GF).....	-6,684
Other Changes	
Customer relationship management	1,039
Grant management system to improve administration of various programs.....	500
Other contractual services.....	462

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Where It Goes:	<u>Change</u>
Food for training events held by DSCI for participants	347
Training and education events for participants.....	243
Shared services	218
Administrative expenses.....	118
Governor’s Office on Service and Volunteerism grants (FF)	-10
Advertising and marketing costs less for third year of Maryland Corps.....	-275
Completion of online application portal by BuildWithin	-694
Conversion of 12 contractual FTEs to regular positions	-720
Total	\$3,403

COLA: cost-of-living adjustment	GF: general funds
DSCI: Department of Service and Civic Innovation	MSY: Maryland Service Year Option Pathway Fund
FF: federal funds	SF: special funds
FTE: full-time equivalents	YA: Young Adult Service Year

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget. The fiscal 2026 allowance accounts for contingent reductions.

Budget Reconciliation and Financing Act

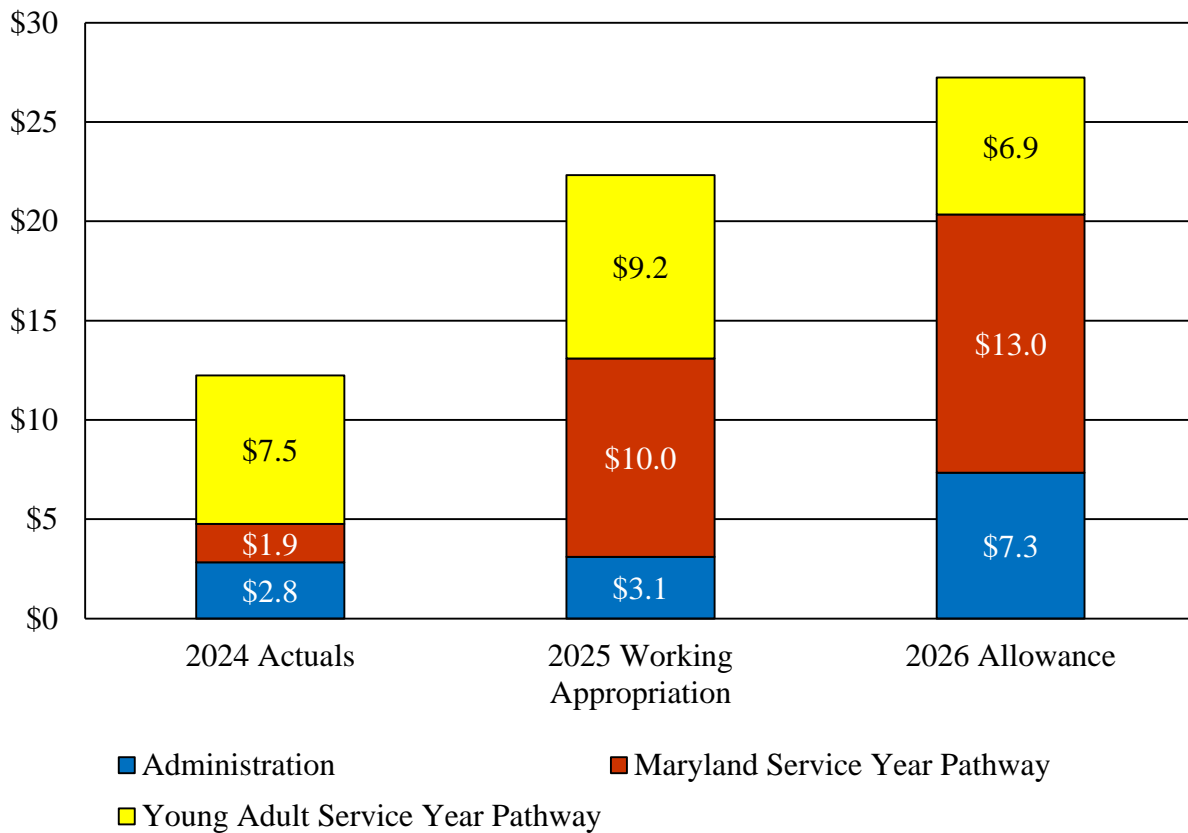
Under Chapter 37 of 2022, \$15 million must be appropriated to the MSY Fund in fiscal 2026. However, the fiscal 2026 budget includes language to reduce this amount to \$13 million contingent on language in the BRFA reducing the MSY Fund mandated appropriation for that year. The BRFA would maintain the current mandate of \$20.0 million for the MSY Fund in fiscal 2027 and subsequent years. Compared to the fiscal 2025 working appropriation for each pathway, MSY grants increase by \$5.75 million in general funds and \$3.0 million in special funds. Without contingent reductions, MSY appropriations would increase by an additional \$2 million in general and special funds.

Under Chapter 99, DSCI must set targets for participation in the YA Pathway of 200 in the first year of implementation and 2,000 in the fourth year of implementation. The Executive Branch interprets spending pursuant to this clause to be a mandatory appropriation and considers the target for the third year of implementation to be 1,000. A plain-English reading of the statute concludes that there is no requirement to meet a participation target for the third year of implementation (fiscal 2026). Still, the budget as submitted includes language to reduce YA Service Pathway funding of \$4.8 million in general funds and \$3.3 million in special funds contingent on language in the BRFA reducing participation in the YA Pathway from 1,000 to 750 in the third year of implementation. The fiscal 2026 budget assumes contingent reductions of \$4.8 million in general funds and \$3.3 million in special funds contingent on passage of the BRFA provision

reducing participation. The BRFA also establishes targets for the third and fifth years of implementation of 750 and 2,000, respectively. Overall, YA funds decrease accordingly by \$8.5 million in general funds and \$2.3 million in special funds from the fiscal 2025 working appropriation to the 2026 allowance. Without contingent reductions, YA appropriations would increase by approximately \$951,000 in general funds and \$3.7 million in special funds.

The MSY and YA special fund balances are anticipated to remain sufficient to support total fiscal 2025 and 2026 service year option grant expenditures and \$3.4 million in administrative costs following these cost containment actions. **Exhibit 4** summarizes the budget available to spend for Maryland Corps.

Exhibit 4
Budgeted Maryland Corps Spending by Pathway
Fiscal 2024-2026
(\$ in Millions)



Source: Department of Budget and Management; Department of Legislative Services

Personnel Data

	<u>FY 24 Actual</u>	<u>FY 25 Working</u>	<u>FY 26 Allowance</u>	<u>FY 25-26 Change</u>
Regular Positions	30.80	39.00	77.00	38.00
Contractual FTEs	<u>11.18</u>	<u>12.00</u>	<u>0.00</u>	<u>-12.00</u>
Total Personnel	41.98	51.00	77.00	26.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	7.32	9.51%
Positions and Percentage Vacant as of 12/31/24	17.00	41.46%
Vacancies Above Turnover	9.68	

High Vacancies

The number of vacant positions in DSCI increased from 7 in July 2024 to 17 in January 2025. Out of the 10 additional vacancies, 7 were positions added in the fiscal 2025 budget that have yet to be filled.

Budget Increase Driven by Personnel

The fiscal 2026 allowance expands DSCI’s personnel complement in response to statutory participation increases in the YA Pathway program. The primary workforce dedicated to carrying out the pathway programs is the department’s contractual service success coaches. DSCI is converting all 12 service success coaches from contractual to regular positions. This change results in a net increase of \$232,000 in fiscal 2026, mostly due to the cost of State retirement benefits. The fiscal 2026 allowance for DSCI also increases the number of service success coaches by 22 for a total of 34. Underpinning this increase are starting enrollment projections of 750 in the YA Pathway, 100 in the MSY Pathway and a coach-to-participant ratio not to exceed 1 to 25. DSCI also brings on 4 additional administrators at two experience levels to provide administrative support for Maryland Corps. The 26 added positions increase personnel costs by \$2.05 million in fiscal 2026.

Service success coaches provide intense support to members throughout their service term. The main purpose of the job is to serve as a dedicated and compassionate field worker who is responsible for overseeing the progress and development of program members throughout the nine-month program period. The role involves fieldwork, primarily conducted through regular check-ins with program participants via text, phone calls, video calls, and in-person visits. In addition, service success coaches are responsible for supporting in-person trainings monthly. This

support may include facilitating meetings, providing support resources, assisting with presentations, and planning transportation with members.

DSCI is operating with a coach-to-participant ratio of approximately 1 to 50. DSCI is in the process of administering the second class of Maryland Corps participants, with 476 in the YA Pathway and 120 in the MSY Pathway. However, current participation has been reduced to 88.6% of that combined level to 417 in the YA Pathway and 111 in the MSY Pathway. DSCI uses starting participation figures to determine coach-to-participant ratios and adjusted participation figures (reflecting 10% attrition for a 90% completion rate) for budgeting stipends and completion awards. By applying the current ratio of 1 to 50 to the projected starting enrollment projections of 850 total, DLS estimates that only 17 total, or 5 new service career success coaches are necessary to maintain current staffing ratios. In addition, vacancy data as of the start of calendar 2025 showed, at the time of this writing, DSCI is trying to fill 8 vacant administrator positions, including 4 administrator vacancies within Maryland Corps administration.

Given the high number of vacancies and new positions that the department has struggled to fill, DLS recommends reducing general funds by \$1,658,223, representing the salaries and fringe benefits of 17 new service success coach positions, 2 new administrator II positions, and 2 new administrator IV positions. This action reduces general funds currently budgeted for YA Pathway grants with the intent that DSCI backfill reduced general funds with special funds that are no longer needed to support 21 new positions. This action maintains the current coach-to-participant ratio of 1 to 50 and requires DSCI to use existing vacancies in lieu of adding administrator positions.

Key Observations

1. Participation Goals Redefined for Maryland Corps

DSCI was established by Executive Order 01.01.2023.02 on January 19, 2023. Chapter 99 repealed the order and reestablished the department. DSCI launched the Maryland Corps program on October 25, 2023, approximately six months after the establishing legislation was enacted. There are two pathways for participation in the program. The application process is joint, with DSCI sorting applicants into each program based on their eligibility. A comparison of the two pathways is provided in **Exhibit 5**.

Exhibit 5 Maryland Corps Program Pathway Comparison

	<u>MSY Pathway and Fund</u>	<u>YA Pathway and Fund</u>
General Fund Mandate	\$5 million in fiscal 2024, reduced to \$3 million; \$10 million in fiscal 2025; \$15 million in fiscal 2026, reduced to \$13 million; and \$20 million in fiscal 2027 and thereafter.	No mandate.
General Fund Reversion	Retained for fiscal 2024 through 2026.	Retained for fiscal 2024 through 2026.
Participation Target	None.	200 in the first year of implementation; 2000 by the fourth year.
Age/Graduation Requirement	Adults.	Must be within three years of completing high school, receiving a high school completion certificate, or earning a GED in Maryland.
Time Commitment	Full time for nine months.	Full time for nine months, at least 30 hours per week.
Residency Requirement	None.	Maryland resident.
Participants Required to Be Partnered with an Onsite Mentor	No.	Yes.

MSY: Maryland Service Year
YA: Young Adult

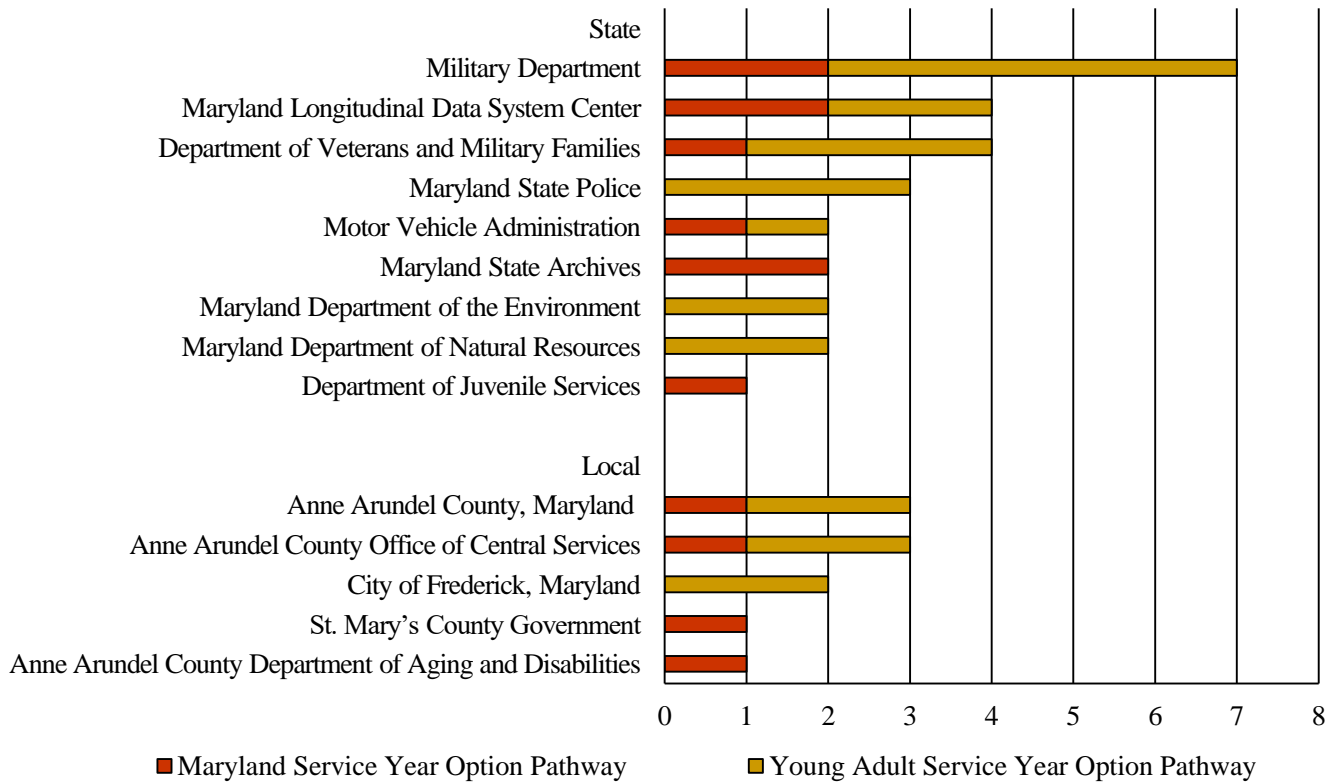
Source: Department of Service and Civic Innovation; Department of Legislative Services

DSCI has introduced legislation to remove the requirement that completion awards be offered as Maryland 529 plans as well as the requirement to report on their use at postsecondary educational institutions. SB 248/HB 33 of 2025 make several changes to the department’s requirements and structure, including allowing both pathway funds to be used for either Maryland Corps pathway. MSY Pathway funds are already used by both pathways due to the provision that allows use of the funds to assist in the creation of Maryland Corps programs as YA Pathway participation ramps up. SB 248/HB 33 also eliminate the requirement that participants be graduates of Maryland high schools or colleges.

Placements with Government Agencies

Participants are placed with partner organizations in a variety of industries and service areas. DSCI reports that 107 partner organizations hosted Maryland Corps participants in the first cohort, including 14 State and local government agencies. **Exhibit 6** shows the number of participants placed in each government host site.

Exhibit 6
Government Agencies Partnering with Maryland Corps



Source: Department of Service and Civic Innovation

The budget committees requested in the 2024 *Joint Chairman’s Report* (JCR) that DSCI submit information showing where among State or local government agencies former corps participants may find employment. DSCI reports that 10 MSY graduates and 14 YA graduates gained employment in a total of 18 local or State government entities following participation in program. **Exhibit 7** shows the agencies where a Maryland Corps graduate is currently employed.

Exhibit 7
Government Agencies Employing Maryland Corps Graduates
December 2024

<u>Entity</u>	<u>Jurisdiction</u>
Baltimore City Mayor’s Office	Municipal
Baltimore City Public Schools	Municipal
City of Frederick Maryland	Municipal
Cottage City Police Department	Municipal
Anne Arundel County	County
Anne Arundel County, County Executive’s Office	County
Commissioners of St. Mary’s County	County
Resilience Authority of Annapolis and Anne Arundel County	County
Somerset County Public Schools	County
Maryland Department of Housing and Community Development	State
Maryland Department of Juvenile Services	State
Maryland Department of Service and Civic Innovation	State
Maryland Department of the Environment	State
Maryland Department of Veterans and Military Families	State
Maryland Military Department	State
Maryland Public Broadcasting Commission	State
Maryland State Archives	State
Maryland State Police	State

Source: Department of Service and Civic Innovation

Wage Subsidization

Partner entities pay stipends to program participants, and DSCI reimburses partners for two-thirds of the stipend cost with service year option grants. Stipends are \$15 per hour. DSCI also pays completion awards of \$6,000 to participants who graduate from the program. The budget committees expressed concern with the program’s high level of wage subsidization. Committee narrative in the 2024 JCR requested that DSCI develop a plan to meet 50% wage subsidization

with employers of Maryland Corps participants within three years. According to the response, DSCI plans to maintain a 33% employer cost share on average in fiscal 2026 while establishing flexible payment cost-sharing structures that accommodate different operational capacities. DSCI reported plans to increase the average cost share to 50% while implementing these cost-sharing structures. DSCI did not decide on one strategy but discussed three different wage subsidization strategies with varied projected impacts on the composition of partner organizations. The strategies balance increased partner contributions with maintaining diversity and equity among organizations of different size and financial status. For example, a flat rate of 50% among all organizations would be administratively simple but may be a barrier to organizations with lower financial resources. Additionally, a sliding scale would be administratively complex while encouraging the highest rate of diversification. DSCI also proposed an exemption system, which would eliminate contributions from the organizations with lowest finances and rely on high-contributing organizations to make up the difference. **Given the State’s fiscal condition, DSCI should discuss a timeline for developing specific plans and beginning to reduce the level of wage subsidization to maximize the use of funding for the program going forward.**

Key Performance Indicators

DSCI published its second annual report on the Serving Every Region through Vocational Exploration Act (Chapter 99) on December 1, 2024. The key performance indicators identified in the annual report are reproduced in **Exhibit 8**. There were 275 program participants between the two pathways as of December 1, 2023. Only 230 completed the program, or 83.6%.

Exhibit 8
Key Performance Indicators
Fiscal 2025 as of December 1, 2024

<u>Performance Indicator</u>	<u>Measure</u>
Stipends Awarded under the Program	275
Amount of Stipends Awarded under the Program	\$8,309,279
Businesses, Nonprofit Organizations, or Government Agencies with Which Corps Participants Are Placed	107
Institutions, If Any, That Award Academic Credit for a Corps Participant’s Service	0
Program Completion Awards Awarded under the Program	230
Amount of Program Completion Awards Awarded under the Program	\$1,380,000
Postsecondary Educational Institutions at Which Corps Participants Use Their Program Completion Awards	n/a

Source: Department of Service and Civic Innovation

2. Governor’s Office on Service and Volunteerism Performance Data

The fiscal 2026 managing for results submission includes performance data for GOSV. Select measures of volunteer activity in the State are provided in **Exhibit 9**. The total funds granted to community-based organization by GOSV grew in fiscal 2024 by 42.5% to a high of \$8.3 million, allowing for a significant increase in volunteerism. GOSV plans to keep a high level of volunteers in fiscal 2025 despite less estimated grant funding.

Exhibit 9
Select Program Measurement Data
Fiscal 2020-2025 Est.
(\$ in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Est.</u> <u>2025</u>
Total Funds Granted to Community-based Organizations	\$5,065	\$3,156	\$4,778	\$5,792	\$8,256	\$6,275
AmeriCorps Members	804	780	873	715	777	850
AmeriCorps Volunteers	13,113	3,830	1,644	1,500	8,087	9,000

Source: Department of Budget and Management; Department of Service and Civic Innovation

DSCI should provide more information on why funding increased by 42.5% in fiscal 2024 and how GOSV will maintain elevated levels of volunteers despite less grant funding.

3. Sunsetting of Volunteer Maryland

Volunteer Maryland reported that more than 750 individuals served as AmeriCorps members in Maryland since the subagency’s inception in calendar 1992. Volunteer Maryland reported that the program successfully recruited more than 130,000 volunteers who served more than 2 million hours at more than 350 organizations across the State. Funding and participation data will no longer be provided, as the program has ended. Volunteer Maryland, a long-running AmeriCorps connection program, was ended by the department early in fiscal 2025. Members stopped serving July 30, 2024. DSCI reports that the program was ended because its impact had declined, and resources could be used more efficiently elsewhere.

Operating Budget Recommended Actions

	<u>Amount Change</u>		<u>Position Change</u>
1. Reduce funding for a new customer relationship management system due to the fiscal condition of the State and the early stages of implementing Maryland Corps.	\$ 1,038,500	GF	
2. Reduce 21 new positions and \$1,658,223 in funding corresponding to 17 admin officer III positions (\$1,351,723), 2 administrator II positions (\$143,598), and 2 administrator IV positions (\$162,903). This action reduces general funds provided for Young Adult Service Year Option Pathway grants and requires that special funds that are currently allocated for 21 positions be used to backfill the reduced grant funding. This action recognizes that existing administrator vacancies should be used in lieu of adding new administrator positions. This action maintains an increase of 5 admin officer III positions and the current staff-to-participant ratio of 1:50.	\$ 1,658,223	GF	21.0
Total General Fund Net Change	\$ 2,696,723		21.0

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 JCR requested that DSCI prepare two reports. Electronic copies of the full JCR responses can be found on the DLS website.

- ***State or Local Government Agencies with Corps Participants:*** The committees requested that DSCI submit a report listing the State or local government employers for corps participants from the first cohort, including the number of participants at each of these sites. Further discussion of this data can be found in Key Observation 1 of this analysis.
- ***Wage Subsidization:*** The committees requested that DSCI submit a report on its plan for managing the total cost to the State for wages associated with the program. The report, submitted December 3, 2024, provided the beginnings of a plan and a year-by-year projection considering the goal to increase total employer wage payments to at least 50% of all wage payments within three years. DSCI offered three potential cost-sharing alternatives, including scaled, fixed, and tiered/cost-optional strategies. Further discussion of this report can be found in Key Observation 1 of this analysis.

Appendix 2
Object/Fund Difference Report
Department of Service and Civic Innovation

<u>Object/Fund</u>	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u> <u>Appropriation</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25 - FY 26</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	30.80	41.00	77.00	36.00	87.8%
02 Contractual	11.18	12.00	0.00	-12.00	-100.0%
Total Positions	41.98	53.00	77.00	24.00	45.3%
Objects					
01 Salaries and Wages	\$ 3,607,124	\$ 4,703,360	\$ 8,937,900	\$ 4,234,540	90.0%
02 Technical and Special Fees	875,985	752,761	32,364	-720,397	-95.7%
03 Communication	19,714	7,238	78,938	71,700	990.6%
04 Travel	150,077	328,672	206,124	-122,548	-37.3%
07 Motor Vehicles	35	0	0	0	0.0%
08 Contractual Services	1,444,615	3,226,722	5,067,073	1,840,351	57.0%
09 Supplies and Materials	39,704	258,133	344,250	86,117	33.4%
10 Equipment – Replacement	2,637	0	0	0	0.0%
11 Equipment – Additional	18,450	37,070	47,410	10,340	27.9%
12 Grants, Subsidies, and Contributions	26,279,188	43,822,729	53,817,280	9,994,551	22.8%
13 Fixed Charges	26,322	19,797	92,496	72,699	367.2%
Total Objects	\$ 32,463,851	\$ 53,156,482	\$ 68,623,835	\$ 15,467,353	29.1%
Funds					
01 General Fund	\$ 16,685,139	\$ 27,067,141	\$ 32,723,772	\$ 5,656,631	20.9%
03 Special Fund	9,543,853	19,220,748	28,589,222	9,368,474	48.7%
05 Federal Fund	5,866,341	6,868,593	7,310,841	442,248	6.4%
09 Reimbursable Fund	368,518	0	0	0	0.0%
Total Funds	\$ 32,463,851	\$ 53,156,482	\$ 68,623,835	\$ 15,467,353	29.1%

Note: The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.