



FY 2024 OPERATING BUDGET TESTIMONY  
DEPARTMENT OF SERVICE AND CIVIC INNOVATION

Jonny Dorsey, Deputy Chief of Staff, Governor's Office  
Andrew Pierce, Executive Director, Office of Budget Analysis, DBM

Senate Budget and Taxation Committee  
Senator Guy Guzzone, Chair  
Senator Jim Rosapepe, Vice Chair  
February 28, 2023

Thank you, Chair Guzzone and Vice Chair Rosapepe and the members of the committee for the opportunity to appear before your Committee as you review the proposed budget for the new Department of Service and Civic Innovation.

I would like to thank our assigned analyst, Madelyn C. Miller, for her thorough and thoughtful analysis.

The Administration is fully committed to establishing the Department of Service and Civic Innovation as a means of consolidating service opportunities across the state under one umbrella and promoting service and volunteerism across the state of Maryland. We look forward to implementing the Governor's Service Year Option Program that will provide a bridge for young people to employment and education opportunities. The Program, alongside other existing service programs, will strengthen our communities and Maryland as a whole.

Page 2 of the analysis notes the following: **The Administration should comment on when it anticipates transferring programs from Boards, Commissions, and Offices. It should further comment on the planned organization of the department and on how each of the different components will work together to achieve the department's mission.**

The proposed transfer should occur shortly after the passage of the budget bill. This will be included as a supplemental budget request for FY23 and FY24. We concur with DLS' representation in Appendix 1 of the analysis.

In terms of combined organizational structure, DSCI would support all 4 units 1) the Service Year Option Program, 2) the Maryland Corps Program, 3) the Volunteer Maryland Program, and 4) the Office of Service and Volunteerism. This would be a total of 23 positions (22.8 FTE) in FY23 and 32 positions (31.8 FTE) in FY24. Our aim is to ensure the combined structure strengthens each program, allows for collaboration and shared services, and promotes long-term sustainability.

Page 5 of the analysis notes the following: **DLS recommends making the fiscal 2023 and 2024 funding available for the Service Year Option Program contingent on the passage of HB 546 or SB 551.**

The Administration concurs with this recommendation, for the portion of the DSCI budget that is directly tied to the Service Year Option Program.

Page 5 of the analysis notes the following: **The Administration should comment on its goals for the Service Year Option Program, plans to implement the program in fiscal 2023 and 2024, and how it intends to use the Service Year Option Program Fund to support the program's operations in future fiscal years.**

The purpose of the program is to: (1) provide service placements to recent high school graduates and other individuals with similar levels of education as an additional option to pursuing career and technical training or postsecondary education; (2) equip program participants with professional development, mentoring, job training, and other support while working in high-impact service placements; (3) help address the state's greatest challenges by channeling the next generation into public impact work; and (4) strengthen a pipeline of talent into state and local governments to fill present and future staffing needs.

In FY23 the primary goal will be in staffing the department, building an online application portal for prospective participants to apply, and building the pipeline of affiliated organizations who will employ the program participants. By FY24, the goal is to begin placing participants with affiliated organizations.

The non-lapsing Service Year Option Program Fund will enable the provision of stipends and other supports to program participants and pay for the costs of administering the program. Due to the varying time periods of individual participation, the non-lapsing Fund ensures funds remain available for enrolled participants across fiscal years. Additionally, the fund enables the receipt of gifts and grants to be used for the established purposes of the fund.

Page 7 of the analysis notes the following: **The Administration should comment on the operational plans for the Maryland Corps Program and the associated fund and how it will operate within DSCI.**

We certainly concur with the DLS analysis observation that both the Maryland Corps Program and the Service Year Option Program have programmatic similarities. We strongly believe that these sister programs together show great promise to serve Maryland. A key difference between the two programs is the targeted population for Program participants: Maryland Corps Program participants are of all ages, whereas Service Year Option Program participants are by definition recent high school completers who are pursuing this new pathway to gain skills and expertise through service. This distinction will lead to some meaningful differences in implementation, as well as some opportunities for collaboration, which are difficult to predict up front and will become much more clear as the new department launches both efforts. Our intent is to avoid over-engineering implementation in year one to allow for a new entrepreneurial team to do the necessary quick-pivoting required in a successful start-up.

### **Operating Budget Recommended Actions**

1. Add the following language to the general fund appropriation:

, provided that \$11,353,000 of this appropriation made for the purpose of supporting the Service Year Option Program is contingent on enactment of HB 546 or SB 551, which establishes the program.

**Explanation:** This action makes \$11,353,000 in funding for the Service Year Option Program contingent on the passage of HB 546 or SB 551.

**Administration Response:** Concur.

2. Add the following language to the general fund appropriation:

, provided that \$3,600,000 of this appropriation made for the purpose of supporting the Service Year Option Program is contingent on enactment of HB 546 or SB 551 of 2022, which establishes the program.

**Explanation:** This action makes \$3,600,000 in funding for the Service Year Option Program in fiscal 2023 contingent on the passage of HB 546 or SB 551.

**Administration Response:** Concur.

Thank you. I am open to any questions you or your colleagues may have.



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House Appropriations, Public Safety and Administration Subcommittee  
Delegate Tony Bridges, Chair  
Delegate Julian Ivey, Vice Chair  
March 6, 2023

Thank you, Chair Bridges and Vice Chair Ivey and the members of the committee for the opportunity to appear before your Committee as you review the proposed budget for the new Department of Service and Civic Innovation.

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