

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 579 (Delegate Cox, *et al.*)
 Appropriations

Military Veterans Trust Fund – CAM for Veterans Grant Program – Established
(David Perez Military Heroes Act (End 22 a Day))

This bill establishes the CAM for Veterans Grant Program to provide grants to veterans suffering from post-traumatic stress disorder, anxiety, depression, or stress seeking relief through and needing financial assistance to obtain complementary and alternative medical treatments. The Maryland Veterans Trust within the Maryland Department of Veterans Affairs (MDVA) must administer the program and expend money from the Maryland Veterans Trust Fund to provide grants for the program. The Secretary of Veterans Affairs must adopt regulations to implement the program, including application and approval processes and eligibility standards.

Fiscal Summary

State Effect: General fund expenditures increase by \$38,500 in FY 2023 for part-time staff to administer the grant program; future years reflect annualization and ongoing costs. Special fund expenditures from the Maryland Veterans Trust Fund increase by an indeterminate amount beginning in FY 2023 to provide the required grants. Revenues are not affected.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	38,500	42,800	44,100	45,300	46,700
SF Expenditure	-	-	-	-	-
Net Effect	(\$38,500)	(\$42,800)	(\$44,100)	(\$45,300)	(\$46,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 742 of 2009 established the Maryland Veterans Trust Fund, which consists of gifts, donations, and grants received by MDVA. The fund also receives (1) 10% of the money that remains in the State Lottery Fund from the proceeds of ticket sales from instant ticket lottery machines by specified veterans' organizations; (2) designated fees from certain special registration license plates; and (3) civil penalties collected from those violating specified requirements relating to written disclosures who charge a fee for veterans benefit services and appeals services. Money in the fund may be used to make grants and loans to veterans and their families and support public and private programs that serve veterans in the State. Money in the fund may also be used to invest in general obligations of the State or other securities and pay for the cost of administering the fund. Money expended from the fund is supplemental to and not intended to take the place of funding otherwise appropriated to MDVA. At the close of fiscal 2021, the balance of the fund was approximately \$296,000.

The Maryland Veterans Trust Fund provides nonemergency, temporary financial assistance, primarily with rent/mortgage payments and utilities, by paying vendors directly via invoice. All applicants for assistance from the fund must (1) be Maryland residents for at least 24 months at the time of application; (2) be eligible for burial in a Maryland State Veterans Cemetery; (3) have an honorable discharge or general discharge under honorable conditions; and (4) have an income no greater than 200% of federal poverty guidelines. Widows and widowers may apply if they have the discharge of the deceased veteran and a certificate of death.

State Expenditures: MDVA advises that, in order to expand the use of the Maryland Veterans Trust Fund to include the new CAM for Veterans Grant Program, establish regulations, and provide additional grants, additional staffing is needed. Thus, general fund expenditures increase by \$38,492 in fiscal 2023, which accounts for the bill's October 1, 2022 effective date. This estimate reflects the cost of hiring one part-time agency grants specialist to develop regulations and process applications for the new program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$31,546
Operating Expenses	<u>6,946</u>
Total FY 2023 Administrative Expenditures	\$38,492

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

This analysis assumes that general funds are used to fund the new part-time position. In the event MDVA utilizes funds from the Maryland Veterans Trust Fund (which may be used to pay the costs of administering the fund), general fund expenditures are not required, but less special funding is available for grant awards.

Special fund expenditures from the Maryland Veterans Trust Fund increase by an indeterminate amount beginning in fiscal 2023 to provide grants under the new program. Actual expenditures cannot be reliably estimated at this time and depend on the number of veterans seeking grants, the cost of complementary and alternative medical treatments, and the eligibility standards established by MDVA. As noted above, the balance of the fund was approximately \$296,000 at the end of fiscal 2021.

Additional Comments: CAM means complementary and alternative medicine. According to the National Alliance on Mental Illness, traditional medical and therapeutic methods have improved over the years, but they often do not completely lessen or eliminate symptoms of mental illness. As a result, many people use CAM to help with recovery, including vitamin and mineral supplements, medical foods, mind and body treatments, and equine therapy.

Additional Information

Prior Introductions: SB 656 of 2021 passed in the Senate and was referred to the House Health and Government Operations Committee, but no further action was taken. Its cross file, HB 874, received a hearing in the House Health and Government Operations Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): Department of Veterans Affairs; Department of Legislative Services

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