

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 202

(Senator Benson)

Budget and Taxation

Appropriations

Department of Aging - Caregiver Expense Grant Program - Established

This bill establishes a Caregiver Expense Grant Program within the Maryland Department of Aging (MDOA) to award grants for qualified expenses paid or incurred by an individual who provides care to a qualified family member and whose federal adjusted gross income does not exceed \$75,000 (\$150,000 if a joint tax filer). An eligible caregiver may apply for a grant equal to 30% of the amount of qualified expenses that exceeds \$2,000, up to a maximum grant of \$2,500 per fiscal year. The Governor may include an appropriation in the annual budget bill of up to \$5.0 million for the program for any fiscal year. MDOA may adopt regulations to implement the bill’s provisions. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Assuming the program is funded at the contemplated level, general fund expenditures increase by \$5.0 million annually beginning in FY 2026, as discussed below. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	5.0	5.0	5.0	5.0
Net Effect	\$0.0	(\$5.0)	(\$5.0)	(\$5.0)	(\$5.0)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Qualified expenses” means expenses paid or incurred by a caregiver for goods or services that relate directly to the care or support of a qualified family member. Qualified expenses include, for example, adult day care, specialized transportation, legal or financial services, or assistive care technology, among other things. A “qualified family member” is an individual who requires assistance with one or more daily living activities, as certified by a licensed physician, physician assistant, or registered nurse practitioner, and (1) is at least 60 years old or has Alzheimer’s Disease or a related disorder and is cared for by an adult relative or informal caregiver who is at least 18 years old or (2) is a child or an adult with developmental or functional disabilities and is cared for by a parent, grandparent, or other relative that is at least 55 years old.

Current Law: State law does not specifically provide for a direct grant program for expenses incurred by family and informal caregivers similar to the program contemplated by the bill. The State does offer a child and dependent care credit for taxpayers who claim the federal child and dependent care credit and meet specified eligibility requirements. A taxpayer may be eligible to claim the federal credit if the taxpayer paid expenses for the care of one or more qualifying individuals during the taxable year and the expenses were incurred to enable the taxpayer to work or look for employment. A qualifying individual may include a spouse, dependent, or other specified individual who is physically or mentally incapable of self-care and lived with the taxpayer for more than half of the year.

For information regarding programs administered by MDOA and other programs serving aged and disabled individuals, see “Chapter 11. Human Services” of [*Volume II – Government Services in Maryland*](#) of the 2022 Legislative Handbook Series.

State Expenditures: As discussed above, the bill specifies that the Governor may include up to \$5.0 million in the annual budget bill for the program. The fiscal 2025 budget as passed by the General Assembly does not include funding for the program; this fiscal and policy note assumes that funding is provided at the contemplated level beginning in fiscal 2026 and that such funding may be used to cover MDOA administrative expenses.

Thus, general fund expenditures for MDOA increase by \$5.0 million annually beginning in fiscal 2026 to provide grants and for related administrative expenses. As shown below, MDOA administrative expenses total approximately \$181,000 in fiscal 2026, which reflects the cost of hiring a full-time, regular program manager and administrative officer and assumes a July 1, 2025 start date.

Positions	2
Salaries and Fringe Benefits	\$165,562
Grants	4,819,364
Other Operating Expenses	<u>15,074</u>
Total FY 2026 State Expenditures	\$5,000,000

Future year administrative expenses (\$175,000 in fiscal 2027 and \$191,000 in fiscal 2029) reflect annual salary increases and employee turnover as well as annual increases in ongoing operating expenses.

To the extent the program is funded at a lower level, general fund expenditures are less.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Aging; Comptroller’s Office; Internal Revenue Service; American Association of Retired Persons; National Alliance for Caregiving; Moody’s Analytics; Department of Legislative Services

Fiscal Note History: First Reader - January 15, 2024
rh/jrb Third Reader - March 25, 2024
Revised - Amendment(s) - March 25, 2024
Enrolled - May 2, 2024
Revised - Amendment(s) - May 2, 2024
Revised - Budget Information - May 2, 2024

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