

Ben Barnes, Chair  
House Appropriations Committee  
House Office Building  
Room 121  
Annapolis, Maryland 21401

Chairman Barnes and Members of the House Appropriations Committee:

NARFE advocates for the more than 300,000 federal employees and annuitants living in Maryland. We have worked alongside AARP and have advocated for Maryland's Family Caregivers urging support of SB 202 – *Income Tax – Caregiver Tax Credit*. SB 202 demonstrates to our Family Caregivers the recognition of their value to addressing the care needed by family members by providing them with an opportunity to receive a grant to help offset their monetary commitment.

It is estimated that the care given by family members in the state of Maryland accounts for more than \$12 billion. Any action that helps delay the entrance into nursing homes and the associated cost to Medicaid is a savings to our state budget. The efforts of family caregivers in our state does just that.

Please pass SB 202.

Sincerely,

*Paul K. Schwartz*

Paul Schwartz  
State Legislation Chair  
NARFE  
National Active and Retired Federal Employees  
240 838-2200

Testimony of Paul Schwartz  
January 17, 2024  
Senate Budget & Taxation Committee  
SB 202 – Caregiver Tax Credit

I am Paul Schwartz on behalf of the National Active & Retired Federal Employees – NARFE

Medicaid is more than a quarter of Maryland's budget

And nursing homes account for a major portion of Medicaid expenditures

Anything that extends the period of home care and delays entrance into nursing homes saves Maryland money

There really is some truth to the saying: “You have to spend money to make money.”

This is a prime example of that.

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill – any bill – because the Office of Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note

They simply check with the Comptroller’s office and take a hard count of lost tax revenue and give you that figure in the fiscal note without factoring in any cost savings by delaying entrance into nursing homes

From the recent valuable report from AARP entitled “Valuing the Invaluable,” we know that in 2021, about 38 million family caregivers in the U.S. provided an estimated 36 billion hours of care to adults with serious or disabling health conditions with the economic value of these unpaid contributions totaling approximately \$600 billion. In Maryland, an estimated 760,000 caregivers

provided about 710 million hours of care at an estimated value of \$12.5 billion.

We are experiencing a decline in revenue due in large part to declining population

Let's keep the care recipient and the caregiver here in Maryland and not watch the caregiver move the care recipient to another state and lose their tax money including sales tax, fuel tax, property tax and state income tax to another more tax friendly state.