

WES MOORE
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ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB 0628 Human Services - Universal Basic Income for Transition-Age Youth Program - Establishment

DATE: March 10, 2026

COMMITTEE: Appropriations

POSITION: Letter of Concern

SUMMARY OF BILL: HB0628 establishes a Universal Basic Income program for transition-age youth in the Department of Human Services (DHS), providing \$1,000 per month for three years, to youth who turn 18 while in an out-of-home foster care placement. The payments would be disregarded as income and resources for the purposes of determining eligibility in the Maryland Medical Assistance Program, the Maryland Earned Income Tax Credit, and State and federal financial aid and college support programs. The program would sunset on September 30, 2031, unless extended. DHS would be required to report annually by October 1 to the General Assembly on outcome measures and descriptive information about recipients.

EXPLANATION: The bill is expected to cost \$1.7 million in FY 2027, \$6.4 million in FY 2028, and \$9.4 million in the out-years, with a total five-year estimated cost of \$38.5 million in general funds. These costs include UBI payments totaling \$35.0 million over five years, four FTEs estimated at \$2.2 million, contract support of \$363,300, system updates of \$567,000, and other operational expenses. Additionally, the bill's interactions with other means-tested programs could have unintended consequences, as the payments could affect youths' eligibility for SNAP, WIC, and SSI. There is also ambiguity in the bill as written that appears to permit youth who remain in extended foster care up to age 21 to receive payments, and it is unclear whether this program is intended as an alternative to extended foster care. If so, costs may be partially offset by reduced extended foster care expenditures, though this program would require 100% general funds while extended foster care can draw federal funds.

Given forecasted out-year deficits and significant uncertainty about the federal budget and policy changes, it would be challenging for the State to manage this increase in spending. This

challenge is compounded by major, unforeseen changes in federal policy and other ongoing budgetary pressures. DBM now forecasts significant shortfalls beginning in Fiscal Year 2027 and escalating into Fiscal Year 2028.

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