

WES MOORE  
*Governor*

ARUNA MILLER  
*Lieutenant Governor*



HELENE GRADY  
*Secretary*

MARC L. NICOLE  
*Deputy Secretary*

## **HOUSE BILL 849 Human Services – Universal Basic Income for Transition-Age Youth - Establishment**

### **STATEMENT OF INFORMATION**

**DATE:** March 6, 2024

**COMMITTEE:** Appropriations

**SUMMARY OF BILL:** House Bill 849 proposes a Universal Basic Income - unconditional cash payments of equal amounts distributed monthly - for eligible youths transitioning out of foster care. One individual is eligible to receive \$1,000 per month for eight years if (1) they lived in an out-of-home placement at 18th birthday; and (2) their birthday occurs on or after October 1<sup>st</sup>, 2022. The bill establishes a Universal Basic Income Program for Transition-Age Youth Program.

**EXPLANATION:** According to the Department of Human Services (DHS) there would be approximately 796 total active participants in the program in fiscal 2025, and DHS anticipates fluctuations in the number of recipients year over year based on birthdays and exits. The cost of this new entitlement and operational costs associated with its administration are projected to exceed \$10 million annually. There would also be costs associated with MD THINK system updates and maintenance and personnel.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges caution in passing legislation that significantly increases expenditures. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes. It would be challenging for the State to manage this new entitlement given the forecasted out-year deficits for the General Fund.

**For additional information, contact Laura Vykol-Gray at  
(410) 260-6371 or [laura.vykol@maryland.gov](mailto:laura.vykol@maryland.gov)**