DEPARTMENT OF
BUDGET & MANAGEMENT

SENATE BILL 1012 Veterans Affairs – Disabled Veterans Guaranteed Basic Income

STATEMENT OF INFORMATION

DATE: February 28, 2024

COMMITTEE: Budget and Taxation

SUMMARY OF BILL: Senate Bill 1012 establishes a Disabled Veterans Guaranteed Basic Income Fund as a special, non-lapsing fund to distribute $200 monthly to qualified veterans. The bill also includes a mandate for the Governor to include a $5 million appropriation from either the State Lottery Fund or the video lottery terminal proceeds to support this mandate.

EXPLANATION: Senate Bill 1012 establishes an entitlement for disabled veterans. The bill outlines the following requirements for a veteran to qualify: (1) honorably discharged/released under honorable circumstances after 4+ years of service; (2) at least 6 months removed from qualifying service; and (3) has been declared by the US Department of Veterans Affairs to have a permanent, service-connected disability of at least 70%.

Using the most recent available data from fiscal 2020, there were 42,999 veterans in Maryland with a 70%+ disabled status. Sending $200 checks each month to these 42,999 veterans would total $103,107,600 annually. This number will likely increase as MDVA obtains more up-to-date data on eligible veterans in Maryland and the awareness of this program increases after passage. The bill only includes $5 million for the mandate. DBM is unaware of how this discrepancy between the mandated funding and projected spend would be resolved, but likely it would require general funds to make up the shortfall and the mandate.

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 significantly increasing spending. 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 a significant increase in spending 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**