

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 817.

This bill would allow Emergency Assistance to Families with Children (EAFC) and Emergency Assistance (EA) grants to be used to help persons who have exhausted their stay at an emergency shelter. An applicant would be required to submit a housing plan for review and approval. Senate Bill 817 would also allow grants to be made upon evidence that a summary ejection action has been filed in court.

I share the sponsor's concern for the problems of homelessness. Over the past three years, the State has significantly increased new resources to lessen the plight of the homeless. Funding for the Homeless Services Program has increased by 285% since 1987, from \$910,000 to \$3.2 million this year. In 1990, the Homeless Services Program initiated a Housing Counselor Program that assists homeless families locate, secure, and maintain permanent affordable housing. In less than a year, more than 500 adults and children have been moved from shelters to permanent housing or have received assistance to prevent an eviction. In addition, the Rental Allowance Program within the Department of Housing and Community Development provides a time-limited subsidy to persons experiencing a critical or emergency housing crisis and funding for the program has increased by 50% since 1987.

Although amendments to Senate Bill 817 more clearly identify the population of eligible clients, the Department of Human Resources is still concerned about the fiscal impact of the legislation. The revised fiscal note to Senate Bill 817 estimates the cost at \$192,000. However, this figure is based upon an estimated 1,000 clients becoming eligible for emergency assistance and the Department believes this seriously underestimates the real impact of the bill. The Department argues that far more individuals exit shelters each year and estimates that 6,000 grants would be utilized per year, adding new costs of over \$1 million.

While the Department is sympathetic to the needs of the homeless, it experienced a serious deficit in FY 90 and is concerned about the possibility of a similar deficiency for FY 91. In particular, the Department is facing the possibility of a deficiency for FY 91 in public assistance payments, which is the part of the budget from which the emergency payments envisioned in Senate Bill 817 would be paid. During the past legislative session, the General Assembly reduced nearly \$6 million in total funds, including \$3 million in General Funds, from the Department's budget based on the premise that the caseload forecast was too high. The Department believes that its original caseload estimates may prove to be accurate.

I am troubled, however, by the recent Washington Post - ABC News poll that showed a declining sympathy for the plight of the homeless. The homeless represent the tragic side of what we claim is a prosperous society. We cannot ignore their needs and must look for solutions. Accordingly, I am directing Secretary Colvin to work with the sponsor and advocates to develop proposals to address the continuing problem of homelessness in this State.