

President of the Senate
State House
Annapolis, Maryland 21404

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 926.

Two bills presented to me for signature - Senate Bill 926 and House Bill 1596 - provide public assistance benefits to pregnant women. Both bills have the commendable goal of seeking to ensure that low-income pregnant women have the resources to meet basic nutritional, health and subsistence needs. These bills originated in an effort to offset through State funding those provisions of the Federal Omnibus Reconciliation Act of 1981 which eliminated certain benefits to pregnant women under the Federal Aid to Families with Dependent Children (AFDC) Program.

Prior to the enactment of the Omnibus Reconciliation Act, states had the option of providing federally-matched AFDC benefits to a pregnant woman and her anticipated child upon medical verification of pregnancy. Maryland exercised this option and provided such coverage. However, under the Omnibus Reconciliation Act, states no longer may provide any pregnancy-related AFDC benefits during the first 5 months of pregnancy; additionally, benefits previously available to the mother and the anticipated child during the last four months are available only to the pregnant woman who is not already receiving AFDC.

Senate Bill 926 seeks to provide State-only funded benefits in the place of federally-funded benefits during both the first 5 months and the last 4 months of pregnancy.

The Department of Health and Human Services (HHS) informs that any supplemental State-only funds for pregnant woman already receiving AFDC during the first 5 months will be counted as income against eligibility for the AFDC grant thus substantially nullifying the expected benefit.

Moreover, for pregnant women already receiving AFDC, it is uncertain whether any State-only payment during the last 4 months would also have to be subtracted from the AFDC grant. Additionally, the fiscal impact of Senate Bill 926 would be about four times as great as that of House Bill 1596.

On the other hand, House Bill 1596 seeks to provide State-only funded assistance during the first 5 months of pregnancy; during the last 4 months of pregnancy, the woman would be eligible for assistance under AFDC. House Bill 1596 is specifically linked to participation by the pregnant