

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 woman in a pre-natal care program - thus assuring that the pregnant woman will in fact receive needed pre-natal nutritional and health care. Benefits flowing under House Bill 1596 together with Food Stamps and Medicaid would substantially fill the gap in income assistance (created by passage of the Omnibus Reconciliation Act) during the first 5 months of pregnancy.

It is my view that, given the uncertainties with respect to implementation of Senate Bill 926 as well as its greater fiscal impact, the more reasonable approach to solving this problem is to sign House Bill 1596. The budget enacted by the General Assembly for Fiscal Year 1983, beginning July 1, 1982, does not include funding to implement either of these bills. In signing House Bill 1596, however, I have directed the Department of Human Resources to begin extending these benefits effective July 1, 1982 by utilizing existing appropriations where possible.

Implementation of House Bill 1596 effective July 1, 1982 is consistent with this Administration's steadfast commitment both to alleviate the harshest impacts of the massive federal cutbacks in funds under the Omnibus Reconciliation Act and to improve the level of Maryland's income assistance programs. The General Assembly supported my proposals for 9% increases in AFDC and General Public Assistance benefits in the budget just enacted. Over the past 4 years we have increased AFDC benefits by a total of 30%, including the two largest single year increases in the State's history.

Moreover the budget also includes several other major fiscal commitments targeted at low-income families. These include: raising the AFDC "standard of need" in order to restore AFDC benefits lost by the working poor; expansion of day care, child abuse and foster care and adoption programs; expansion of services to the elderly and to the mentally