

## **The Senate Ways & Means FY 2016 Budget Proposal: Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Employment, Homelessness Services, Housing, Legal Services and MassHealth Items**

**May 13, 2015**

On May 12, 2015, the Senate Committee on Ways and Means released its budget proposal for fiscal year 2016 (FY 16). The bill number is Senate 3. The Committee Chairwoman, Senator Karen Spilka, entitled the budget “Lifting All Families.” The proposal takes concrete steps to achieve that goal. MLRI offers this preliminary analysis of selected budget topics impacting low-income residents of the Commonwealth.

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### **Cash Assistance, SNAP, and Related Items Administered by DTA**

- 1. Cash assistance (including TAFDC, EAEDC, SSI state supplement, nutrition assistance)**
  - TAFDC (Transitional Aid to Families with Dependent Children) children’s clothing allowance increased to \$200 per year (item 4403-2000). This is the first time in many years that a Ways and Means budget has proposed any increase in benefits for TAFDC families.** The annual children’s clothing allowance was established in 1981 and was increased to \$150 in 1986. The House Ways and Means

budget omitted the clothing allowance altogether as well as the \$40/month rent allowance paid since 1987 to families who pay private, unsubsidized rent. The benefits were restored in the House thanks to an amendment led by Rep. Decker. Senate Ways and Means also specifies that the clothing allowance shall be included in the standard of need in September. This allows very low-income families who are otherwise slightly above the usual gross income limit for TAFDC to qualify for the clothing allowance for their children. The final House budget also specified that the clothing allowance shall be included in the standard of need, thanks again to the efforts of Rep. Decker who persuaded House leadership to include this provision in the House Ways and Means technical amendment.

- **TAFDC would be funded at \$231.76 million, \$18.4 million less than the FY 15 appropriation after the Governor's 9C cuts.** The final House amount was \$228.2 million. The higher Senate Ways and Means proposed amount would be enough to cover benefits at current low levels – including the \$50 per child increase in the annual clothing allowance – for about 38,200 families on average. The April 2015 caseload was 37,674 so the proposed appropriation will likely be sufficient. The caseload, which had been plummeting for the past two years because of new DTA procedures that make it much harder for recipients to maintain their benefits, has leveled off in the last couple months. The caseload is so low that there are now more families in Massachusetts in deep poverty (income below 50 percent of the federal poverty level) than there are families receiving TAFDC.
- **The TAFDC line item requires DTA to report to the legislature on the feasibility of requiring income reports from working recipients semi-annually, instead of monthly.** This would align TAFDC reporting requirements with SNAP reporting rules and with the reporting interval for cash assistance in most states. It would also make it easier for the state to count the families in the federal work participation rate.
- **The TAFDC line item includes language requiring DTA to give 90 days' advance notice to the Legislature before cutting benefits or making changes in eligibility.** The House provided for 60 days' advance notice. As in past years, the Governor's proposal did not include this provision. The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. In FY 10, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families headed by a severely disabled parent would not lose their TAFDC benefits.
- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$78.9 million,** the same as the Governor's proposal. This is \$6.6 million less than the FY 15 appropriation after 9C cuts, and slightly less than the House. The EAEDC caseload is also going down, but not as dramatically as the TAFDC caseload. An increase in EAEDC benefits is long overdue: grants were last raised in the 1980s. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of any grant increase for some EAEDC recipients. As in the TAFDC line item, Senate

Ways and Means includes language requiring 90 days' advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$228.7 million**, about \$1 million more than the FY 15 appropriation for this account after 9C cuts, the same as the Governor's proposal, and about \$2 million less than the House.
- **The Supplemental Nutrition Program (item 4403-2007), which provides a small state food SNAP supplement to thousands of low income working families who receive federal SNAP benefits (formerly called Food Stamps), would be funded at \$1.2 million**, the same as FY 15.

## 2. Education, training and support services.

- **The Employment Services Program (ESP, item 4401-1000) would be funded at \$12.1 million.** This is slightly more than the final House amount of \$11.3 million (increased from \$5 million in the House Ways and Means budget thanks to Chairwoman Khan's amendment). Like the final House budget, Senate Ways and Means includes earmarks to provide level-funding for the Young Parents Program and job search services for parents with limited English Proficiency. Senate Ways and Means also includes a number of earmarks omitted in the House budget: those earmarks provide level-funding for the DTA Works Program (paid internships at state agencies); up to \$80 a month in transportation reimbursement for recipients who are working or in education, training or job search; and learning disability assessments. Senate Ways and Means also provides \$100,000 for a transportation pilot program in Metrowest. The Executive Summary specifically mentions funding from this item for the costs of HiSET (formerly GED) testing; DTA has historically paid for these costs without an earmark. Senate Ways and Means does not include an earmark for short-term education and training programs, which was included in the final House budget at \$2 million.
- **Job Support Services Plans and Family Well-Being Plans, sections 91 and 92.** In accordance with its goal of "lifting all families" Senate Ways and Means proposes to provide targeted assistance to families receiving TAFDC (Transitional Aid to Families with Dependent Children). **Section 91, Job Support Services Plans**, appears intended to help recipients who could become subject to the work requirement and the time limit because of changes in the new welfare bill. It would require each DTA office or community service area to have at least one full-time specialist responsible for providing targeted assistance assessment to help recipients find employment, receive job training, or pursue an education. It would also require DTA to provide an assessment of the recipient's education level and job skills. **Section 92, Family Well-Being Plans**, would create a pilot program (to be established by October 1, 2015) in at least two DTA offices for recipients who are exempt from the work requirement because of disability. As part of the program, DTA would conduct an assessment of each participant, would help the participant address barriers to employment, including education and job skills, and would help

the participant qualify for programs and service through other agencies. **Item 4400-0029** would provide \$1 million for transportation assistance and child care for participants in the program.

- **Senate Ways and Means provides \$5 million for “Pathways to Self-Sufficiency” (item 4400-1979)**, the new programs and services under proposed regulations that are currently on hold. The House did not provide any funding for these programs. The Governor proposed \$3.3 million. The appropriations bill that accompanied the welfare bill last summer provided \$11 million for the Pathways program. All of that money was eliminated in two rounds of 9C reductions. We have many concerns about “Pathways,” but we are pleased to see this small but significant increase in funding. In federal FY 12, Massachusetts ranked 51<sup>st</sup> of all states (including the District of Columbia) in the percentage of federal and state welfare funds that the state spent on education, training and work supports for welfare families.
  - **Section 23 provides for the placement of a one-stop career center representative each DTA office. Section 24 provides for the placement of a DTA representative in each one-stop career center. Section 94** also provides for this co-location and requires the Division of Career Services in coordination with DTA to submit a plan to accomplish it by December 31, 2015.
3. **Teen Living Programs (item 4403-2119) would be funded at \$9.9 million**, the same as the final FY 15 appropriation *before* 9C cuts, and the same as the House. The appropriation was cut by \$680,000 in FY 15 because of delays in adding new beds. One bright spot in last summer’s welfare bill is a provision allowing pregnant teens to access these programs during any stage of pregnancy, instead of having to wait until their last trimester as they did previously.
4. **DTA administration**
- **The DTA worker account (item 4400-1100) would be funded at \$70.8 million**, \$5.6 million more than FY 15 after 9C cuts, and the same as the House. In October 2014 DTA instituted a new system for SNAP-only cases under which households no longer have an assigned worker. Instead, households are supposed to call a DTA “Assistance Line” for help. After a rocky start, wait times and dropped calls have been reduced but the quality of assistance varies from excellent to useless. Meanwhile, DTA has had an enormous backlog of unprocessed documents resulting in terminations and denials even when the household has submitted all requested verifications. These terminations and denials cause great hardship to households and also exacerbate the pressure on the Assistance Line because desperate households who have lost benefit have no option other than to try to reach the Assistance Line for help – which they often do not get.
  - **DTA central administration (item 4400-1000) would be increased to \$64.4 million**, \$3.4 million more than FY 15, and slightly less than the Governor and the House. Increases in recent years have been targeted to DTA’s data matching and

“program integrity” efforts, some of which, such as a system that terminates benefits based on flawed wage matches, is likely a major factor in the decline in the caseload.

- **Funding for the SNAP processing and outreach line item (4400-1001)** would be increased slightly from \$2.9 million for FY 15 to \$3.2 million. Part of this account pays for a grant to Project Bread and other organizations that do SNAP outreach. These expenditures are matched dollar-for-dollar by the federal government.
- **DTA domestic violence workers (item 4400-1025)** would receive a small increase from \$920,000 to \$1 million, the same as the House.
- **Item 4000-0300 includes a proviso requiring EOHHS and Administration and Finance to file a plan by October 1, 2015 detailing how EOHHS will implement a modern, digital integrated eligibility determination process.** The Executive Summary says that this is supposed to be a plan to enhance the sharing of health data between MassHealth, the Connector, and DTA and DHCD. Many other states are moving towards integrating their applications and eligibility determination processes for a range of benefits; we hope Massachusetts will also move towards greater integration of benefit programs and that the plan is not limited to the sharing of health data.

## Child Care

1. **Senate Ways and Means proposes a \$20 million increase in funding for the main child care subsidy accounts (TAFDC-related child care, supportive child care, income-eligible child care, and wait list reduction).** This is \$7.5 million more than the House and \$12.5 million more than the Governor.
  - **Child care for current and recent recipients of TAFDC (currently item 3000-4050) and child care for families with active cases at DCF (currently item 3000-3050) would be combined into a new line item, 3000-3060.** Total funding for the combined account is slightly above the House and Governor’s proposals and about \$11 million more than the FY 15 appropriation after 9C cuts. The proposed combined line item specifies that employed former recipients may not be charged fees for the first two years after they leave TAFDC but does not include a long-standing provision, included in the House budget, that recipients of TAFDC will not be charged fees. The omission of the no-fee provision for TAFDC recipients may have been inadvertent. The line item provides that all children eligible for services under this item shall receive those services. This language is currently included in the line item for supportive care for children referred by DCF. Despite this language, many children who need and are eligible for supportive child care do not receive it.
  - **Income Eligible Child Care (item 3000-4060) would be funded at \$252.9 million,** the same as the House and the Governor. **However, Senate Ways and Means proposes an additional \$12 million for Wait List Reduction (item 3000-4040),** while the House only proposed \$5 million and the Governor did not propose any

waitlist reduction funding. More than 25,000 children are on the wait list for income eligible child care.

- **Head Start (item 3000-5000) would receive a \$1 million increase to \$9.1 million, the same as the final House amount.**
- **Funding to improve the quality of pre-kindergarten programs and expand access (item 3000-5075), funded at \$7.4 million in FY 15 after 9C cuts, would be kept at \$7.4 million, the same as the House.**
- **A Rate Reserve (item 1599-0042) would provide \$2.5 million to increase reimbursement rates for center-based subsidized child care.** The House provided \$5 million. This could be used for any center-based costs including but not limited to salaries.
- **The grant program to support and improve early education would be funded at \$19.5 million, \$2 million more than the Governor and about \$2 million less than the final House amount.**
- **A Rate Reserve (item 1599-0042) would provide funding to increase reimbursement rates for center-based subsidized child care.** This could be used for any center-based costs including but not limited to salaries.

## **Child Welfare: Department of Children and Families, Office of the Child Advocate and Other Children's Services Issues**

1. **Senate Ways and Means would fund DCF at \$902.6 million which is \$1.6 million more than the House and \$2 million more than the Governor proposed.** This is \$75.6 million more than the FY 15 allocation and \$31.3 million more than projected FY 15 spending.
  - **It is important to note that \$49.4 million of the SWM increase over the FY 15 allocation is to cover the increased costs of foster and congregate care that resulted from DCF's having placed 1,000 more children in foster care than were in the system a year earlier.**
2. **Funding for critically important Family Stabilization and Support Services (4800-0040) would be increased by \$1 million to \$45.6 million.** This increase, the first since FY 13, is a very important first step towards beginning to provide adequate funding for the services needed to keep children safely at home -- and to return them safely home from foster care -- whenever possible as required by State and Federal law.
  - Investment in these preventive services is an essential component of reducing the Commonwealth's current greatly increased reliance on the costly and overburdened

foster care system.

- According to DCF's most recently available statistics, **89% of the children in DCF's caseload require Family Stabilization and Support Services to remain or return safely home. However**, even with the \$1 million increase in SWM, **only 8% of DCF's total services budget (0038, 0040 and 0041) would be allocated to these services.**
  - The vast majority -- more than three out of four -- of the families in DCF's caseload became involved with DCF because of neglect, not abuse. Studies have established that risk to children caused by neglect, which is highly correlated with poverty, can often be effectively addressed by family stabilization and support services, and that many children whose families receive those services have better long term outcomes than their counterparts in foster care.
3. **Services for Children and Families (item 4800-0038), which primarily funds family based foster care and adoption, would be increased by \$16.3 million to \$277.9 million.** This is the same as the House and \$400,000 more than the Governor proposed. It is \$7.6 million more than FY 15 projected spending.
  4. **The Group Care Account (item 4000-0041) would be increased by \$33.1 million to \$249.6 million.** This is \$5.8 million more than FY 15 projected costs. While fewer of the children in the MA foster care system are in group care than in family-based care, the substantial increased cost reflects the greater cost of residential care.
  5. **Family Resource Centers would be funded at \$9.9 million. This funding is divided between two line items: DCF line item 4800-0200 (\$7.4 million) and EOHHS line item 4000-0051 (\$2.5 million).** Family Resource Centers are community based programs designed to offer families a convenient, culturally-appropriate and accessible location which offers a range of voluntary services. These services can help address family problems before they become crises requiring costlier DCF intervention.
  6. **SWM would fund the Social Worker account (4800-1100) at \$201.8 million, the same level as the Governor and the House.** This is \$16.3 million more than the FY 15 allocation, and \$10.2 million above revised FY 15 projected costs.
- The Child Welfare Training Institute (item 4800-0091), which is responsible for training DCF social workers, would be increased by \$415,252 to bring it to \$2.5 million. This is what the Governor proposed and approximately \$65,000 less than in the House budget. Adequate funding for the training institute is needed to train the many newly hired social workers, and train all workers on the many new policies and practices that recently have been, and will continue to be, instituted at DCF. According to SEIU local 509, the DCF social workers' union, an increase of \$29 million is needed to bring social worker caseloads to the 15:1 ratio that DCF negotiated with its union. This is also the ratio recommended by the Child Welfare League of America.

- To keep children safe, whether at home or in foster care, social workers need the time to adequately monitor families, intensively manage those that present risk factors, and make sound decisions about whether a child can remain safely at home or needs to be removed.
7. **SWM preserves important reporting requirements in the DCF administrative account to improve the DCF administrative hearing system, called the “fair hearing” system, which continues to have an enormous backlog.** They require DCF to report to the legislature on whether it is holding hearings on time and making adequate progress in reducing its backlog.
- DCF’s substantial recent progress in clearing its backlog suffered a setback as the result of the Department’s new policy of substantiating many more complaints of abuse and neglect than in the past. Prior to this change of policy, many more complaints had been handled on a “services only” track under which certain many less serious complaints did not have to be substantiated before the Department could provide services. This increase in substantiated complaints has led to many more families challenging substantiation determinations hearings through the fair hearing process.
  - **Unlike the House, SWM preserves the important requirement that DCF make a record of its fair hearing decisions available to the public.**
  - **Also unlike the House, SWM preserves current language which requires DCF to maintain a timely, independent and fair, administrative hearing system.**
  - As of this date, DCF has not filed either of the two reports that the legislature mandated in FY 15. One was due on December 31, 2014 and the other on March 31, 2015. The FY 15 budget allocated \$200,000, for an independent audit of the fair hearing system. The final report of that audit is due in June.
8. DCF’s administrative account (item 4800-0015) would be increased by \$6.1 million to \$81 million. This is \$4.8 million over FY 15 projected spending and approximately the same as the Governor’s proposal and the House budget.
- **Senate Ways and Means maintains current and longstanding reporting requirements which the legislature requires to fulfill its oversight responsibilities.** This includes reports on each area office’s spending on services to keep children safely at home, provision of domestic violence shelter, the number of kinship subsidies each area office provided, what requests for voluntary services each area office received and where DCF referred people it couldn’t help. This data is critical in assessing DCF’s effectiveness in meeting its core functions.
9. **The lead agency account (item 4800-0030) would be level-funded at \$6 million. The House did not fund this line item.** Lead agencies are regional nonprofits that contract for services but do not provide services themselves.

10. **Services to victims of domestic violence (item 4800-1400) would be cut by \$150,000 to \$24.3 million. The House increased funding to \$26.1 million.** This account provides beds for domestic violence shelter, visitation services, and supports to victims of domestic violence, and pays for DCF domestic violence staff. These preventive services are not restricted to DCF involved families, but are available to all individuals who are served by the funded domestic violence service provider programs. **Currently, the domestic violence shelter system is full and must turn away many domestic violence survivors who then turn to the Emergency Assistance system for shelter for themselves and their children.**
11. **The Office of the Child Advocate (item 0411-1005), would be level-funded at \$500,000 as the Governor proposed.** This office was funded at \$700,000 in FY 15 with \$200,000 allocated for an independent management review of DCF. The House budget would cut funding to this office by \$50,000. The child advocate is mandated, among numerous other duties, to “examine, on a system-wide basis, the care and services that the executive agencies provide children” and “advise the public and those at the highest level of state government about how the Commonwealth may improve its services to and for children and their families.” **Increased funding for this office is particularly critical given the need for systemic review and interagency coordination to address the ongoing impacts of the Commonwealth’s 2014 child welfare crisis.**

## Employment

1. **Senate Ways and Means proposes two new initiatives to assist long-term unemployed and underemployed persons in returning to the workforce or increasing their participation in it.** Long-term unemployment and underemployment are significant problems in an uneven economic recovery.
  - SWM appropriates **\$1.2 million in item 7006-0036 and section 95 for a Training Resources and Internship Networks (TRAIN) grant program** to provide training and internship opportunities through community colleges for individuals who have been unemployed for over one year.
  - SWM appropriates **\$2 million for the Workforce Competitiveness Trust Fund (item 7002-1075)** for training for unemployed and low-wage workers for jobs in high demand, such as health care, construction and education.
2. Senate Ways and Means continues (**in section 59**) the special commission established in last year’s minimum wage and unemployment insurance legislation (chapter 144 of the acts of 2014) to investigate the economic and social costs of long-term unemployment and to recommend ways to mitigate these costs.

## Homeless Services

1. **Emergency Assistance (item 7004-0101) for homeless families with children would be funded at \$154.87 million (approximately equal to what the Governor and the House proposed), and Senate Ways and Means adds important language to prevent families from having to sleep in places not meant for human habitation.**
  - The Emergency Assistance (EA) program provides emergency shelter to certain families who are homeless and whom the Department of Children and Families verifies have no other safe place to stay. In FY 13, the Department of Housing and Community Development (DHCD) implemented restrictions on access to shelter so that many families with children must first become so desperate that they have slept in a place not meant for human habitation before they are eligible for shelter. Over 600 families are expected to have experienced this fate in FY 15.
  - SWM would prevent this from happening in FY 16 by adding important new language saying **“provided further, however, that a family who has no other feasible accommodation on the date of application for assistance and who would otherwise spend the night in a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including but not limited to a car, park, abandoned building, medical facility, bus or train station, airport or camping ground, shall be eligible for assistance.”**
  - While the proposed funding level is likely inadequate to provide emergency shelter for the entire fiscal year to all eligible families, there is a strong tradition of the Legislature providing supplemental funding to ensure shelter access to those who are eligible for these vital services.
  - **Senate Ways and Means retains and expands important line item protections, including protection against unreasonable verification demands, 90 days’ advance notice (up from 60) before any eligibility changes can be implemented, and quarterly reports to the Legislature.** For many years, the line item has required DHCD to provide shelter for up to 30 days to homeless families who appear eligible and have nowhere else to go, but need more time to get verifications for a final eligibility determination. SWM strengthens this language by clarifying that it applies to all eligibility requirements and, like the House, retains important language ensuring that families are not required to submit unreasonable verifications, are not barred from shelter for 12 months if they were placed only presumptively, and can receive aid pending an appeal if they are found ineligible during the presumptive period. SWM also retains the very important advance notice requirement before any eligibility restrictions or benefits reductions could be adopted, while extending the advance notice period from 60 to 90 days, as it was in earlier budgets. This language has been critical in prior years to giving the Legislature time to ensure that access to emergency shelter for children and their families is not unduly restricted.

2. **HomeBASE (item 7004-0108) would be funded at approximately \$26.25 million, as compared to the House budget number of \$31.25 million, but SWM also includes a \$7 million reserve account at EOHHS (1599-0017), to provide additional homelessness prevention services and for EOHHS to coordinate the delivery of public benefits and human services to families in EA shelter.**
  - The HomeBASE program was created in FY 12 to provide short term rental assistance instead of shelter to homeless families. **SWM, like the Governor and the House, would increase the maximum level of assistance to \$8,000 per year per family**, up from \$6,000 in FY 15, although many families in FY 15 received \$8,000 through a combination of HomeBASE and Housing Stabilization Trust Funds. The increase is in recognition that a low-income family cannot retain housing for a year without additional support. Even \$8,000 is too little for many families to avoid falling back into homelessness. SWM includes language saying a family cannot receive a combined total of more than \$8,000 from HomeBASE and RAFT in a year.
  - Senate Ways and Means retains but revises language that bars a family who is terminated from HomeBASE from accessing either EA or more HomeBASE. The bar period is reduced by SWM from 24 months to 18 months. This bar was created when HomeBASE paid for three years of actual rental assistance and, even with the SWM revision, is disproportionate to the benefits now available. Efforts will be made to reduce the maximum bar to 1 year so that vulnerable families experiencing homelessness will not be left without assistance for too long.
  - As with EA, Senate Ways and Means retains the Administration's obligations to provide timely reports to the Legislature and to provide the Legislature with advance notice before new eligibility restrictions or benefits reductions are imposed, while increasing the advance notice period to 90 days.
  - The \$7 million EOHHS reserve account (1599-0017) will provide an official role for EOHHS in administering the EA program, both in terms of providing homelessness prevention services and coordinating the delivery of human services to families in shelter. Since the transfer of responsibility for administering EA to DHCD from DTA in 2009, coordination of human services in the best interest of needy families has been lacking. The Governor had proposed a similar reserve account that would have been funded at \$20 million.
3. **Senate Ways and Means adds a new line item (4000-0007) funded at \$2 million to provide housing and supportive services to unaccompanied homeless youth.** This initiative has been a priority for the Massachusetts Coalition for the Homeless.
4. **Shelters and services for homeless individuals (item 7004-0102) would be funded at just \$44.7 million**, as compared to the House appropriate of just over \$43.2 million, a modest increase over the FY 15 appropriation. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be funded at \$1.6 million**, a \$200,000 decrease from FY 15 and House funding levels.

5. **The DHCD homelessness administrative account (item 7004-0100) would be funded at over \$6.7 million**, an increase of approximately \$800,000 compared to FY 15 appropriations.
6. **The Residential Assistance for Families in Transition (RAFT) program (item 7004-9316), a homelessness prevention program for families with children, would be funded at \$12 million, a \$1 million increase over the FY 15 appropriation, matching the House appropriation.**
  - As in FY 15, RAFT would provide up to a maximum of \$4,000 in assistance, but no family could receive from HomeBASE and RAFT more than a total of \$8,000.
  - **Funds can be used to help families at risk of becoming homeless or who are already homeless and need help to move into private or subsidized housing.** As in FY 15 and in the House budget, 50% of the funds would be targeted to families with incomes not greater than 30% of Area Median Income, although DHCD would have discretion to use less of the funds for these families. The remaining funds are for households with incomes between 30% and 50% of Area Median Income who are homeless and moving into private or subsidized housing or who are at risk of homelessness because of a change in economic circumstances. The Governor proposed to target 90% of the funds to the lowest income families.
  - Senate Ways and Means (like the House but unlike the Governor) retains RAFT reporting requirements to the Legislature that were included in the FY 15 budget.

## Housing

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides housing authorities with funds to maintain the state's public housing units, would be **funded at \$64 million, the same amount as in the FY 15 budget and the FY 16 House budget. An increase is needed.** Tenants report that maintenance staffs are stretched thin and unable to take care of basic repairs which are causing conditions to worsen. On the heels of public housing reform last year and at a time when the state is facing disturbing increases in homelessness among families, an increase to protect public housing is needed now more than ever.
  - The SWM budget deletes language that was in the FY 15 final budget and the FY16 House budget instructing DHCD to make every attempt to rehabilitate family public housing requiring \$20,000 or less in repairs.
  - As with last year's final budget and the House budget, the SWM budget requires housing authorities operating elderly public housing to offer first preference for elderly public housing to elders age 60 years or older as of June 30, 2015 who are receiving MRVP vouchers.
2. **Self-Sufficiency Pilot Program (item 7004-0114 and Outside Section 93). This is**

- a new \$500,000 item to fund a pilot program to be established under a new Outside Section 93. Section 93 requires DHCD to develop a self-sufficiency pilot program in 4 to 6 housing authorities modeled on the Worcester Housing Authority's "A Better Life" program which was authorized in the 2014 welfare reform act and which will start operation in September of this year. The Worcester program imposes mandatory work and/or education requirements on non-exempt family public housing residents.**
- The proposed pilot like an earlier version of the Worcester program, provides admissions preference to applicants "who commit to engaging in self-sufficiency measures" including "not less than 30 hours per week pursuing education, employment or community service" and "compliance with school attendance policies for all school-aged children. Failure to meet the program requirements may result in eviction."
  - **Outside Section 93** would create a three member oversight committee (two legislators and a DHCD appointment) to advise the programs and grant "performance awards" to authorities that "demonstrate an increase in participants' employment, income and school attendance". These performance awards presumably would be funded by the \$500,000 line item.
  - It is not clear the extent to which this admissions preference will take precedence over other existing priorities. Additionally, the department shall provide case management funding (presumably from this line item) to participating housing authorities to support the program.
  - **This confirms that the state intends to begin the process of conditioning the tenancies of poor families in public housing to "self-sufficiency" requirements that, judging from the Worcester program, are largely unrealistic, often punitive, and will likely result in increased evictions and homelessness.** Efforts will be made to include basic tenant protections and reporting requirements in the Worcester program on which these pilots are to be based, particularly for those with disabilities or illness, lack of transportation or child care and other good cause reasons for being unable to participate fully. We would urge the Legislature to hold off on expanding any aspect of the Worcester program to other housing authorities until the results of the Worcester experience can be fully evaluated.
  - **Public Housing Reform (item 7004-9007) is a new line which is also in the House budget for some costs associated with the implementation of the public housing reform law passed in 2014** (chapter 235 of the acts of 2014). The SWM budget proposes \$800,000, the same amount in the House FY 16 budget. While there are no details about how these funds would be targeted, there are a number of new initiatives and requirements in the law that need funding including implementation of a centralized waiting list for public housing, resident surveys, technical assistance for tenants, training for housing authority commissioners, and implementation of the new performance monitoring system.

3. **The Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term rental tenant-based and project-based subsidies to low-income tenants in the private housing. **The House FY 16 budget gave MRVP \$90.9 million, a significant increase from the FY 15 amount of \$65 million. The SWM budget provides a smaller increase to \$85.4 million, \$5.5 million less than the House.** The House amount would have funded at least 700 new vouchers while maintaining current participants. The lower SWM amount will fund fewer vouchers which are a critical resource for assisting homeless families to leave, or avoid shelter.
  - The SWM budget, like the Governor's and House budgets, does not include a provision that was in the FY 15 budget that most new MRVP mobile vouchers should go to households on current housing wait lists. It also, like the House budget deletes language that bars consideration for MRVP of an applicant's participation in the EA shelter program. These changes should enable more families to leave shelter for permanent housing.
4. **The Alternative Housing Voucher Program (AHVP) (item 7004-9030)** would be **funded at \$4.55 million, an increase of \$1 million over the House FY 16 budget.** This program provides mobile vouchers for people with disabilities under the age of 60 to rent apartments in the private market. There are currently 400 AHVP vouchers. Advocates had requested that AHVP be increased to \$7.1 million which would provide rental assistance to approximately 800 households.
5. **The Tenancy Preservation Program (TPP) (item 7004-3045)**, a homeless prevention program which helps preserve tenancies of persons with disabilities, would be **level funded at \$500,000, the same amount as the House FY 16 budget.**
  - TPP is run by six regional provider agencies and is based in housing courts across the state. When very vulnerable individuals and families face possible homelessness as a result of behavior related to a disability (for example, mental illness, developmental disabilities, aging-related impairments), TPP clinicians address the reason for the eviction, identify needed services, develop a treatment plan to maintain the tenancy, and monitor the case as long as necessary.
  - In FY 13, TPP directly assisted 552 households. In FY 14, although there was no increase in funding, TPP directly assisted 601 families and achieved a 92% homelessness prevention rate. It also provided consultation to an additional 1,640 households ineligible or waitlisted for services in FY 14.
  - **With an increase of \$500,000, TPP services could be provided to an additional 200 households** with disabilities and consultation services to an additional 600 households.
6. **Urban Agenda Housing Item.** The House (and the Governor's) budget had included \$1 million in a new line item (7004-9008) to provide planning grants to local housing authorities and municipalities in urban areas to develop new affordable rental or

- homeownership housing under criteria established by DHCD. **The SWM budget does not include this item.**
7. **DHCD Administrative account (item 7004-0099) is increased modestly from \$7.8 million in the House FY 16 budget and the FY 15 budget to \$7.9 million.** Given staffing and resource shortages at DHCD, even this small increase will help improve operations and work on various projects.
    - SWM re-inserts the requirement in the last three budgets that DHCD promulgate regulations ensuring that those receiving temporary housing subsidies retain any housing admissions priority for homeless and at-risk households. The Governor's budget, House 1, had deleted this provision which the House budget includes. Inclusion of the provision means that households receiving rent stipends under the HomeBASE Household Assistance program and other time-limited rental assistance programs will not be denied priority for state-assisted housing. The provision will decrease the risk that these families will become homeless again when their temporary assistance ends. This is what the Legislature was attempting to prevent in previous budgets.
    - Also, SWM does not include language and a \$250,000 appropriation that is in the House budget for the implementation and evaluation of establishing a homeless preference in private multi-family housing. We believe this amount was meant for the New Lease program which works to create housing opportunities in multifamily housing for certain homeless families.
  8. **Department of Mental Health Rental Subsidy Program (item 7004-9033),** which provides rental subsidies to eligible clients of the Department of Mental Health, would be funded at approximately **\$5.55 million which is \$500,000 more than in the House budget.**
  9. **Housing Services and Counseling (item 7004-3036),** which provides grants to nine regional housing consumer education centers for housing services and counseling would be funded at **\$1.7 million which is \$900,000 less than the \$2.6 million in the House FY 16 budget and less than the \$2.1 million in the FY15 budget.**
  10. Outside Section 70 would require the Massachusetts Housing Finance Agency to transfer \$6.5 million into the Housing Stabilization Trust fund for use in FY 16. The House budget had required a transfer of \$9 million to the trust fund.

## Legal Services

1. For the **Massachusetts Legal Assistance Corporation (item 0321-1600),** which supports grants for civil legal aid programs for low-income residents of Massachusetts, Senate Ways and Means is recommending funding in the amount of \$15 million, which is the same amount as the FY 15 GAA appropriation. (That

amount was reduced in February of this year by chapter 2 of the acts of 2015 to \$14.7 million.) The House budget proposes \$17 million for this account. Both proposals fall far short the \$10 million increase that MLAC had requested to meet the increasing statewide need for civil legal services for low income people in the Commonwealth.

## MassHealth

1. **Senate Ways and Means funds the MassHealth program along the same lines as the Governor's proposal and the House:** no changes to MassHealth eligibility rules, but significant projected savings from a decline in the caseload. That decline is expected to be the result of a reapplication process that 1.2 million current MassHealth members will be completing as part of the switch over to a new computer system.
  - SWM, like the Governor and the House, attributes over **\$400 million in savings compared to a FY 16 maintenance budget to reducing the MassHealth caseload** through this reapplication process. Average MassHealth enrollment of 1.9 million in FY 15 is projected to drop to average enrollment of 1.7 million in FY 16. As of May 6, 2015, over 190,000 individuals have lost MassHealth benefits in the first wave of the reapplication process, however, it is not too late for these individuals to reapply and have their benefits reinstated.
  - Further savings are assumed by **delaying certain costs of MassHealth services from the present fiscal year to the next.** For a detailed analysis of the health provisions in House Budget, see the MMPI Budget Brief dated May 2015.
2. **No new cuts in MassHealth Services, but adult dental services have not yet been fully restored.**
  - The scope of coverage for **adult dental services** in MassHealth was severely restricted in 2010, but has slowly been making a comeback. Coverage for fillings was restored last year, and the FY 15 budget will restore coverage for dentures effective on May 15 of this year. SWM, like the Governor and the House, provides \$16 million for full year funding for coverage of dentures for adults in MassHealth.
  - **Section 61 authorizes MassHealth to limit the scope of dental services** despite existing statutory provisions that requires MassHealth to have the same comparatively robust dental program that existed in January 2002. Section 61 does require MassHealth to cover fillings and dentures. However, any further expansion in adult MassHealth dental services must be reviewed by the Secretary of Administration and Finance as well as the House and Senate Committee on Ways and Means.
3. The Governor's budget proposed \$600,000 in savings by **cutting chiropractor services for adults on MassHealth.** Any proposed cut in MassHealth services requires language a provision in the General Laws (G.L. c. 118E, § 53). The SWM budget, like the House budget, does not provide the language necessary for this cut to

- take effect.
4. **Line item 4000-0600 preserves the same level of respite care for caregivers in the Adult Foster Care program that were provided in January 2015.** Adult Foster Care enables people to live in a home setting with a caregiver instead of in a nursing facility and currently includes 14 days of respite care payments for the caregiver. In April, MassHealth began notifying Adult Foster Care providers of the Administration's intention to eliminate a Mass Health payment to primary caregivers for respite services under its 9C authority in fiscal year 2015.
  5. SWM, like the Governor and the House, includes **\$137 million in item 4000-0700) in the 4000-0700 account to provide applied behavioral health analysis (ABA) services to an estimated 10,000 children under 21 with autism.** Currently, only about 200 children (0-8) are covered through a MassHealth Autism waiver program.
    - Coverage for all MassHealth eligible children who need it was mandated by state legislation enacted in 2014. St. 2014, c. 226, sec.25. ABA has been a mandated benefit for children with private insurance since 2010.

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