

## **House Ways and Means FY 2018 Budget Proposal: Preliminary Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Health Care, Homelessness Services, Housing, and Legal Services Items**

April 11, 2017

Yesterday the House Committee on Ways and Means released its budget proposal for fiscal year 2018 (FY 18), House 3600. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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

- 1. Cash assistance (including TAFDC, EAEDC, SSI state supplement, nutrition assistance)**
  - TAFDC (Transitional Aid to Families with Dependent Children, item **4403-2000**) includes language barring DTA from counting Supplemental Security Income (SSI) benefits in determining TAFDC eligibility. The Governor had proposed to cut off or drastically reduce TAFDC for families where the parent receives Supplemental Security Income (SSI) benefits because of a severe disability. Under the Governor's proposal, 4,400 families would have lost all of their TAFDC and benefits for another 1,400 would have been cut by more than half. The House Ways and Means Chairman specifically addressed the Governor's proposal in his letter to the members: "The Ways and Means proposal is committed to protecting and providing for our Commonwealth's most vulnerable residents. This budget guarantees that there will be no change in benefits for any transitional assistance recipient." Chairman Dempsey

highlighted the issue again in the budget Executive Summary: “The House Committee on Ways and Means' funding proposal preserves all existing benefit eligibilities for those that are in most need.” Last year, the Administration made a similar proposal, which was blocked when the Legislature included language in the FY 17 budget barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase. The Governor vetoed the language, and the Legislature overrode the veto. The Governor’s press secretary criticized the HWM provision, asserting that the plan to count SSI was “a bipartisan proposal to reform welfare,” SHNS, April 10, 2017, but the Governor has not pointed to anyone in the opposing party who supports the plan.

- **House Ways and Means specifies the children’s clothing allowance at \$200 per year instead of \$250.** This may be a technical error since the Chairman’s messages are clear that House Ways and Means did not intend any cuts. The line item does say that the clothing allowance is included in the standard of need in September. Including the clothing allowance in the standard of need allows low income working families to qualify for it. The Governor specified the clothing allowance at \$250 a year, but did not require it to be included in the standard of need.
- **TAFDC is funded at \$161 million, \$30.2 million less than FY 17 because of the projected drop in the caseload.** The TAFDC Cap on Kids (family cap) rule denies benefits for children conceived while – or soon after – the family received benefits. The Cap on Kids causes everyone in the family to suffer – including the excluded child’s older siblings. Repealing the Cap on Kids would cost about \$11.5 million in FY 18, less than 40 percent of the “savings” from the decline in the caseload.
- **The line item does not include funding for Transitional Support Services,** a program created last year at the Administration’s request to provide a small supplement for a few months for families who lose TAFDC eligibility because of earnings. The Governor also did not include funding for this program. The line item provisions barring cuts in benefits or eligibility and expressly allowing changes that expand benefits or eligibility may allow DTA to continue this program even though there is no express authorization for it.
- **The line item includes language requiring the Governor to give 75 days’ advance notice to the Legislature before cutting benefits or making changes in eligibility.** As in past years, the Governor’s proposal did not include this important 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.
- **The line item requires DTA – to the extent feasible – to review its disability standards to determine how well the standards reflect current medical and vocational criteria.** The line item also requires 75 days’ advance notice before DTA

proposes any changes to the disability standard, another advance notice provision omitted by the Governor.

- **The Employment Services Program (ESP, item 4401-1000) is funded at \$13.6 million and Pathways to Self Sufficiency (item 4400-1979) is funded at \$1 million.** The total of \$14.6 million is the same as the Governor’s proposal for the two line items combined – an increase of \$1 million over FY 17. HWM earmarks level-funding for the Young Parents Program and \$1 million for job search services for parents with limited English proficiency. The Governor did not propose any earmarks. Currently, the program funds the Young Parents Program; limited education and training for TAFDC parents; 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; learning disability assessments; job search services for parents with limited English proficiency; and the cost of HiSET (formerly GED) testing for some recipients.
  - **HWM provides \$500,000 for a new job search, job training and stabilization services program called “Secure Jobs Connect” (item 4400-1020)** to serve low-income families receiving Emergency Assistance, HomeBase, RAFT or MRVP assistance (see Homeless Services and Housing, below). The Governor provided \$800,000 for this program.
  - **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) is funded at \$78.6 million,** almost the same as the Governor and close to the FY 17 appropriation of \$79.2 million. EAEDC 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. The HWM proposal includes language – omitted by the Governor – requiring 75 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) is funded at \$224.4 million,** slightly more than FY 17 and slightly less than House 1. The Administration’s proposal to count SSI for TAFDC would have required additional funds for the SSI state supplement because some families losing TAFDC would have been eligible for \$84 a month more in state-funded SSI.
  - **The Nutrition Benefit Program for low-income workers (item 4403-2007) is funded at only \$300,000,** the same as the Governor. The FY 17 budget provided \$1.2 million for this line item, which the Governor cut in December to \$700,000. The amount proposed by the Governor and HWM is not enough to provide a meaningful benefit.
2. **Teen Living Programs (item 4403-2119) are level-funded at \$10 million,** the same as the Governor’s proposal.

### 3. **DTA administration**

- **The DTA worker account (item 4400-1100) is funded at \$71.3 million**, about the same as the Governor and slightly more than FY 17. DTA needs additional staff to process cases timely and accurately. DTA has reduced the wait time for callers, but the average wait time is still 25 minutes – far too long, especially for callers who have limited phone minutes. Many callers have to wait much longer, and many calls are disconnected. Fourteen percent of SNAP cases in the most recent month reported were not processed within federal processing time limits. Without additional funding, it is even more critical that DTA work “smarter.” Among other things, DTA needs to reduce excessive demands for verification that create more work for DTA staff and make it harder for low income families to get the benefits for which they are eligible.
- **DTA central administration (item 4400-1000) would funded at \$63.3 million**, slightly less than the Governor and a small reduction from FY 17. House Ways and Means does not include current language that gives the Commissioner the authority to transfer funds between the TAFDC, EAEDC and SSI State Supplement accounts “for identified deficiencies.” This language would allow transfers even if they would create deficiencies.
- **Funding for the SNAP processing and outreach line item (4400-1001) is increased** slightly from \$3 million for FY 17 to \$3.1 million, the same as the Governor’s proposal. 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 be funded at \$1.6 million**, the same as the Governor, compared with \$1.4 million for FY 17s.

### 4. **Nutrition (Programs Administered by DTA and by Other Agencies)**

- **Closing the “SNAP Gap”:** The SNAP Coalition is continuing its campaign to close the Massachusetts SNAP Gap and help reduce health care costs by ensuring all otherwise eligible MassHealth recipients access federal Supplemental Nutrition Assistance Program (SNAP) benefits. MLRI projects over 500,000 MassHealth individuals qualify but are not receiving SNAP. The Gap can be viewed by city/town and House and Senate District in [an interactive SNAP Gap map](#). The Ways and Means budget, however, does not include specific language directing the Administration to close the SNAP Gap.
- **The state subsidy for Elder Nutrition Programs (item 9910-1900) is level funded** at \$6.5 million, the same as the FY17 appropriation. The President’s [federal FFY18 Blue Print](#) or “skinny budget,” however, does propose cuts to a number of federal nutrition programs including the Meals on Wheels program which Massachusetts and other states would not be able to absorb.

- **The state subsidy for the Women, Infant and Children’s (WIC) Program (item 4513-1002)** is slightly lower than FY17, funded at \$12.2 million, largely due to an anticipated decline in births. The WIC Manufacture Rebates Retained Revenue (item 4513-1012) is authorized to expend up to \$25.8 million from federal cost containment initiatives, such as infant formula rebates.
- **The Massachusetts Emergency Food Program (MEFAP) (item 2511-0105) remains level funded at \$17 million.** This program, which supplements federal TEFAP funding, is administered by the state Department of Agriculture. Maintaining this funding level is a good starting place, but it may not be sufficient in light of the unrelenting demand for emergency food and the fact that thousands of Massachusetts residents have lost their SNAP throughout 2016 and 2017 due to the [federal three-month SNAP time limit](#), a federal eligibility restriction that resumed in January 2016.

## Child Care

- **Child care for current and recent recipients of TAFDC and families involved with the Department of Children and Families (item 3000-3060)** is funded at \$223.2 million, the same as the Governor’s proposal. This is a small increase over the FY 17 appropriation of \$219.4 million. The proposed line item includes a longstanding provision that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees. Both HWM and the Governor also provide that families who were involved with DCF are eligible for child care under this line item for a year after the DCF case closes. Despite this provision, which is also in the FY 17 line item, DCF only reluctantly approves child care for 6 months after the DCF case closes and categorically refuses to authorize child care for a second 6 months after the closing. Similarly, although the line item states that child care “shall be available to recipients” of TAFDC, DTA refuses to authorize child care for grandparents and SSI parents who are receiving TAFDC for their children and not for themselves.
- **Income Eligible Child Care (item 3000-4060) is funded at \$255.4 million,** the same as the Governor’s proposal. This amount is about \$3 million more than the final FY 17 appropriation. The increase, though welcome, is not enough to make a substantial dent in the waitlist (24,000 families as of January 2017). The Administration says that it will reissue 1,100 vouchers that were issued to families but are not being used. Governor’s Press Release, Mar. 29, 2017. It is concerning that families cannot access care while the account is being underspent.
- **Child care and other rate increases (item 1599-6903 and 3000-1042).** Two months ago, House Speaker DeLeo called for more money to support early childhood education, describing the state’s system as being “in crisis” because it relies on an underpaid workforce. Boston Globe, Feb. 9, 2017. HWM proposes \$39.7 million in item 1599-6903 for rate increases for low-paid human services workers, the same as the Governor. HWM also proposes \$15 million in item 3000-1042 for rate increases for center-based providers, compared with the Governor’s proposal of \$7 million. However, it appears that most of these increases are not new money but money that

the Administration failed to spend in FY 17. The FY 17 budget provided \$31.2 million for the human services rate increases but the Governor in January projected spending of only \$14.7 million. Two months later, the Governor announced that he had “found” \$28.6 million that will be used for a 6 percent increase in the rates paid to child care agencies and family day care homes. Governor’s Press Release, Mar. 29, 2017. The money was apparently “found” by making low-wage workers wait another year for the increases they were promised or by failing to spend monies intended to provide child care for low-income families.

- **Head Start (item 3000-5000) would be level-funded at \$9.1 million.**
- **EEC Central Administration (item 3000-1000) would be funded at \$5.7 million,** the same as the Governor’s proposal. Some central administration functions are funded through a line item for **Quality Improvement (item 3000-1020)**, created last year. HWM funds that line item at \$30.7 million, \$1.2 million less than the Governor’s budget.
- **Child Care Resource and Referral Agencies (item 3000-2000) are level-funded at \$6.7 million,** the same as the Governor’s proposal.
- **Mental health consultation services (item 3000-6075) would be funded at \$2.5 million.** This account, funded in FY 16 at \$750,000, was eliminated in FY 17 when it was rolled into the Quality Improvement line item. The Governor did not provide any separate funding for it.
- **Services for parents through community networks (item 3000-7050) would be funded at \$13.4 million.** The Governor did not fund this account at all.

**Reach Out and Read (item 3000-7070) is funded at \$700,000.** This program works to equip parents with tools and knowledge to ensure that their children are prepared to learn when they start school. The Legislature funded it at \$1 million in for FY 17, the Governor vetoed the appropriation, and the Legislature overrode the veto. Then the Governor used his 9C authority to eliminate the program altogether in FY 17 and did not include it in his FY 18 proposal.

#### **Child Welfare: Department of Children and Families, Preventive Services, and Office of the Child Advocate**

1. **DCF is funded at \$975 million. This is \$27.5 million more than the FY 17 allocation (including all FY 17 supplemental allocations and cuts) but \$10.5 million less than the Governor proposed.**
  - The HWM increases are to congregate foster care services (item 4800-0041, \$11 million), family foster care services (item 4800-0038, \$6 million), and social workers (item 4800-1100, \$13.3 million).
  - The difference between the HWM funding level and the Governor’s proposed

funding is mostly due to HWM's not funding lead agencies (line item 4800-0030) which the Governor had proposed to increase to \$9 million. In addition, HWM funds family resource centers (item 4800-0200) at \$7.8 million which is \$2.5 million less than the Governor proposed.

2. **Funding for the two service accounts for out-of-home placements for children is \$17.5 million more than the FY 16 allocation (\$11 million more for congregate care in 4800-0041 and \$6 million more for family foster care in 4800-0038).** This increase is primarily to cover the costs of the enormous spike in removals of children from their homes and their placement in foster or group residential care that has taken place since December of 2013 when the Jeremiah Oliver tragedy became public and the opioid crisis was gaining force.

- There are over 1800 more children in out-of-home placements now than at the end of 2013. This represents a 23% increase in out-of-home placements.
- HWM's budget represents an increase of \$117 million in funding for out-of-home placements since FY '14.
- Although fewer children are placed in congregate care than in family foster homes, congregate care is significantly more expensive. According to DCF, on average each 10 children in congregate care cost DCF over \$1 million a year.
- HWM continues to allocate \$250,000 to a campaign which began in FY 2017 to recruit more foster parents for the increasing numbers of children DCF is placing in foster care (4800-0058).

3. **In contrast to the huge increase in funding for services to place children out of their homes, HWM increases funding for Family Stabilization and Support Services to keep children safe in their own homes by only \$500,000, for a total of \$47.4 million (item 4800-0040).** The Governor proposed the same increase.

- **These preventive services have been significantly underfunded for many years.** A robust investment in them would enable DCF to better achieve the mission the legislature assigned to it in G.L. c. 119, § 1: to keep children safe by keeping them safe at home whenever possible, and to place them out of their homes only as a last resort. By reducing foster care placements, investing in prevention would also achieve significant savings.
- In the approximately 75% of all DCF cases in which the Department is involved because of neglect and not abuse, many children can remain safely at home with the appropriate services. However, Family Stabilization and Support services receive a disproportionately small share of DCF's services budget. **Currently, 88% of the children in DCF's caseload need family stabilization and support services because they remain at home or are in foster care with a case goal of returning home. Yet HWM would allocate only 7.6% of DCF's services budget to those services.**

4. **HWM follows the Governor’s lead in allocating \$236.8 million to social workers (4800-1100), an increase of \$13.3 million over the FY 17 allocation. This will reduce social worker caseloads.**
  - As of March 2017, DCF has 3,258 social workers, 375 more than in February of 2016.
  - Despite the large number of new hires, HWM’s training budget of \$2.7 million (4800-0091) is still slightly lower than it was in FY 2010.
5. **HWM matches the Governor’s proposed increase of \$4.5 million to DCF’s administrative account (item 4800-0015).** Some of this would annualize the costs of additional hires made in FY 17 including social workers, managers and staff.
  - **HWM maintains a longstanding requirement that DCF report on the backlog in its administrative “fair hearing” system.** The Governor had proposed to strip these requirements. While DCF has made progress in reducing its fair hearing backlog, it currently has 1,376 fair hearing requests pending for more than the allowed 180 days, 543 of which have been pending for at least 455 days.
  - **HWM maintains other longstanding reporting requirements which the Legislature requires to fulfill its oversight responsibilities.** The Governor had proposed to strip these requirements. Among these are reports on the services it provides to keep children safely in their homes and support kinship families, as well as on its efforts to maximize federal reimbursements available to support kinship guardianships, and identify where it refers families when it denies their voluntary requests for services.
  - **HWM maintains a longstanding requirement that if DCF removes a child from his or her parents, it must prioritize placing the child in kinship care, and provide services and support to partner with the kinship family in meeting the child’s needs**
6. **Services that prevent child abuse and neglect by providing shelter and services for victims of domestic violence were moved from the DCF to the DPH budget in FY 17 (item 4513-1130).** HWM would increase their funding by \$613, 406, the same increase the Governor proposed.
7. **Funding for Family Resource Centers is cut by \$2.2 million and its two line items are merged into one, thereby effectively transferring administration of the program to DCF alone.**
  - These centers prevent abuse and neglect by connecting families to community and state services, educational programs and peer support. They also provide a mechanism for the juvenile court to refer families to community-based services in order to fulfill the requirements of recent legislation (the “CRA” law) which replaced the former CHINS program.

8. **Funding for the Bureau of Substance abuse services (4512-0200), which prevents child abuse and neglect by providing services for parents with substance use disorders, is \$131.7 million, an increase of \$10.5 million over FY 17, and \$4 million more than the Governor proposed.**
9. **The Office of the Child Advocate (item 0411-1005) is increased by \$8,000 to \$808,000 as the Governor proposed.**
  - Funding for the Office of the Child Advocate has increased steadily since it was established in 2007. This increase is needed to enable the OCA to fulfill its ambitious mission of ensuring all children in the Commonwealth receive appropriate, timely and quality services with full respect for their human rights.

## **Health Issues in MassHealth, ConnectorCare and the Health Safety Net**

### **1. HWM builds on the Affordable Care Act**

- HWM proposes \$16.764 billion to maintain coverage for 1.9 million MassHealth beneficiaries. Like the Governor, it builds its proposed budget on the assumption that Congress will not repeal the Affordable Care Act or reduce funding for Medicaid through block grants or per capita caps.
- In MassHealth, individual line item amounts rarely tell the story. There are four accounts with funding in the billions. In most years, the Governor is granted authority to transfer funding among line items in supplemental budgets. Funding for the Health Safety Net and ConnectorCare as well as certain provider payments are funded through off-budget trust funds. Assumptions about investments and savings initiatives underlie the MassHealth accounts but usually are not described in any line item language or outside section. All this makes it challenging to decode health spending priorities among budget bills. One place where priorities are explicit are the provisos attached to accounts that earmark funding for certain uses or prohibit certain cuts. HWM appears to go along with the Governor's embedded savings initiatives to reduce MassHealth maintenance spending in FY 18 by about \$230 million but has added certain provisos to protect or increase provider rates and to prohibit at least one cut in benefits.

### **2. HWM authorizes an additional employer contribution to help pay for increased MassHealth spending (Section 49).**

- HWM proposes a new Chapter 118J to impose an employer shared responsibility contribution on employers who do not offer a minimum level of health coverage to their full-time employees. **(Section 49)**. However, unlike the Governor's proposal for a \$2000 contribution per full time employee, HWM leaves the amount of the contribution and almost all other key questions to be determined by the Commissioner of Revenue.

- The Governor estimated his proposed employer assessment would bring in \$300 million in additional revenue. The amount to be raised by the HWM employer assessment cannot be estimated until the Commissioner defines its terms. However, apparently with lowered projections for MassHealth enrollment in 2018, the additional revenue needed from this source is now estimated at \$180 million not \$300 million.
- HWM does not go along with the Governor’s proposal to reduce insurance costs for employers by capping rate increases for higher cost hospitals.
- HWM also directs EOHHS and the Connector to apply for any necessary waiver that may be necessary to implement the new chapter on employer contributions. This presumably refers to the Governor’s idea of waiving the ACA’s federal employer contribution (which applies to employers with 50 or more employees) and replacing it with a state employer contribution.
- HWM also refers to a waiver of “any federal prohibition on compelled enrollment.” It is not clear what this means. There is nothing in the proposed chapter 118J about “compelled enrollment.” The Governor has publicly discussed interest in returning to the treatment of employer sponsored insurance in Chapter 58, the state’s 2006 health reform law, but has not provided any details on what he means by this. In light of the recent letter to Governors from Trump administration Medicaid officials indicating their essential disapproval of the ACA’s Medicaid expansion and their interest in restrictive waivers, legislators should insist on a detailed proposal before signing off on any new waivers affecting enrollment.
- Under Medicaid eligibility rules that were in effect at the time of Chapter 58 and remain in effect today, a low wage worker with MassHealth who has an offer of employer coverage can be required to take the employer coverage subject to certain affordability protections. At higher income levels, a worker who has an affordable offer of employer insurance is not eligible for ConnectorCare under ACA rules. Similar restrictions applied to eligibility for Commonwealth Care under Chapter 58. It is not clear what changes are thought to be needed to the current rules that would return to the rules under Chapter 58.
- Among the savings initiatives embedded in HWM and the Governor’s budget for FY 18 is \$50 million in cost avoidance through increased enrollment of MassHealth beneficiaries in Premium Assistance to reimburse them for the costs of cost-effective employer sponsored insurance under current MassHealth rules. This avoids costs for MassHealth because it provides coverage secondary to the private insurance.

**3. HWM retains eyeglasses in the CarePlus program but appears to incorporate other savings initiatives in House-1**

- In **4000-0940**, which provides funding for the ACA Medicaid expansion for adults with income up to 133 percent of the federal poverty level, HWM adds a proviso requiring the same level of vision services for expansion adults in FY 18 as FY 17.

The Governor had proposed cutting vision services. HWM rejects the cut. With the enhanced federal matching fund rate for FY 18 at 89.6 percent there is little financial justification for eliminating such necessary benefits. HWM funds this line item \$17 million less than the Governor proposed but this appears to be related to an updated enrollment forecast.

- HWM does not prohibit MassHealth from cutting non-emergency transportation benefits in the CarePlus program. EOHHS has indicated it plans to seek a waiver to eliminate this benefit except for substance use service. Non-emergency transportation enables beneficiaries without private means of transportation and who live in parts of the state without public transportation or who are unable to use public transportation to arrange a ride with regional transportation authorities to obtain covered MassHealth services.
- Other savings initiatives on which the Administration released more detail after House 1 appear to be incorporated in the HWM budget including \$31 million in reduced spending due to more onerous income verification rules for adults in MassHealth, \$29.5 million in savings from requiring students in public colleges and universities to enroll in student health insurance with MassHealth premium assistance covering the costs, and \$25 million in savings through competitive procurement and holding down provider rate increases.

#### 4. Most MassHealth line items would see an increase over FY 17 spending levels

- The MassHealth Managed Care account **4000-0500** would increase from \$5.3 to \$5.5 billion. The MassHealth Fee for Service account **4000-0700** would go from \$2.5 to \$2.6 billion, however this is \$88 million less than proposed by the Governor. The ACA Expansion account **4000-0940** would increase from \$2.14 billion to \$2.23 billion, however this is \$17 million less than proposed by the Governor. The lower HWM amounts may be related to lower enrollment projected in the updated enrollment forecast for MassHealth. The MassHealth Senior Account **4000-0600** which accounted for \$3.54 billion in spending in FY 17 was transferred to two new accounts, **4000-0601** funded at \$3.53 and a new MassHealth home and community based care account under Elder Affairs at 91110-0600 at \$225 million. HWM adds \$8 million to the Governor's proposed funding for **4000-0601** and includes a \$4 million rate increase over FY 17 rates for Adult Day Health providers. The nursing home supplemental rate account 4000-0641 is \$17.8 million higher than the Governor proposed.
- **4000-0300** includes a new proviso requiring MassHealth to set up a direct phone line for court employees in the specialty courts such as the drug courts. Presumably this reflects the current increase in call wait times at MassHealth which can sometimes require 30 minutes or more on hold.

**5. Funding for the Children’s Medical Security Program (4000-0990) is cut by \$5 million**

- CMSP would be cut from \$17.4 million in FY17 to \$12.4 million in FY18. This reduction was also in the Governor’s proposal and is based on savings anticipated from cancelling the contract with Unicare, the vendor who has been administering the CMSP benefit, and bringing the administration in-house. It is disappointing that the savings are being used to reduce the appropriation rather than to expand the benefits of this program. CMSP provides services to children not eligible for MassHealth or other affordable coverage but its benefits are severely limited. For example, there is a \$200 cap on prescription drugs, a \$200 cap on durable medical equipment, and a 20 visit annual cap on outpatient mental health services. These limits are long overdue for reform.

**6. HWM provides \$15 million for the Health Safety Net**

- HWM proposes a fund transfer of \$15 million from the Commonwealth Care Trust Fund to the Health Safety Net Fund. It is one of six health-related provisions that seem to have landed in the wrong place. It follows 1595-6379 Transportation Fund and is lettered (g). The Governor proposed a transfer “up to” \$15 million in FY 18. In FY 17 eligibility for the Health Safety Net was restricted and the fund transfer was reduced from \$30 million to \$15 million.

**7. Possible change in funding for the state’s ConnectorCare Program**

- HWM authorizes a transfer of up to \$110 million from the Commonwealth Care Trust Fund (CCTF) to the General Fund. The location of this provision follows 1595-6379 Transportation Fund and is lettered (d). The same provision was included in the GAA for FY 16 and FY17 and reflects reduced state spending for ConnectorCare in light of federal tax credits and subsidies available through the Affordable Care Act.
- In FY 18 the CCTF anticipated no transfer for the Health Safety Net under the Governor’s proposed “up to \$15 million” language and a \$27.6 million transfer to the General Fund. With HWM \$15 million transfer to the Health Safety Net, there may be less funding available for the Health Connector. However, more information is needed to know how this may affect ConnectorCare in FY18.

**8. The MassHealth Dental Program would remain at the levels set for FY 17**

- **Section 68** maintains the scope of dental services for adults in MassHealth at the same level as 2017. This includes coverage of fillings and dentures that were cut in 2010 and restored in FY 15 and FY 16, but does not represent a full restoration of all dental services cut in 2010, such as periodontal services. **4000-0700** also includes a proviso requiring full year coverage for fillings and dentures and requiring reports on the use of adult dental services.

## Homeless Services

1. **Emergency Assistance for homeless families with children (item 7004-0101) would be funded at \$155.53 million** which matches the initial FY 17 appropriation, prior to the \$26 million dollar supplemental budget allocation. This would be a decrease of more than \$9 million from the Governor's FY 18 proposal.

- The Emergency Assistance (EA) program provides emergency shelter to certain families who are experiencing homelessness and whom the Department of Housing and Community Development (DHCD) and Department of Children and Families (DCF) verify have no other safe place to stay.
- In FY 13, DHCD implemented dangerous restrictions on access to shelter requiring that many families with children prove they have slept in a place not meant for human habitation before they are eligible for shelter.
- HWM does not remove these onerous restrictions, despite strong demand by medical providers and other advocates that shelter be provided to families “within 24 hours of staying in a place not meant for human habitation,” to ensure children are not forced to sleep in cars, emergency rooms, or other inappropriate places before receiving shelter.
- With the level of funding provided by HWM, supplemental appropriations will almost certainly be necessary in FY 18.
- **HWM includes important language that requires 90 days' advance notice to the Legislature prior to making any changes that would restrict EA eligibility or benefits.** This language has been critical in prior years in giving the Legislature time to ensure that access to emergency shelter for children and their families is not unduly restricted. This language was not included in the Governor's proposed FY 18 budget.
- **HWM includes important monthly and quarterly reporting requirements to the Legislature about the families accessing EA shelter.** These reports would include information about the number of families entering and exiting shelter and under what circumstances, as well as what is happening to families, including those denied shelter. This language was not included in the Governor's proposed FY 18 budget.

2. **HomeBASE (item 7004-0108) is funded at approximately \$31.08 million, a decrease of over \$800,000 from the FY 17 appropriation.**

- This program was created in FY 12 to provide short term rental assistance instead of shelter to homeless families. As in FY 17, HWM would provide families with a maximum level of assistance of \$8,000 in a 12-month period. If combined with assistance from RAFT (7004-9316), the total assistance could not exceed \$8,000 in a 12-month period.

- As with EA, HWM would retain the Administration’s obligation to provide the Legislature with 90 days’ advance notice before new eligibility restrictions or benefits reductions are imposed. HWM would also retain the requirement to provide timely reports to the Legislature.
  - HWM includes language providing that a family would not be terminated from the program for a single violation of a self-sufficiency plan.
  - HWM removes language proposed in the Governor’s FY 18 budget that would require funds to be used to more rapidly transition families into housing. HWM also removes language, proposed in the Governor’s FY 18 budget, that would protect households headed by elder or disabled persons that are in compliance with program requirements.
  - HWM would continue a program to allow DHCD to expend up to \$300,000 on HomeBASE for families in domestic violence and residential treatment, and adds sober living programs. While the scope of this proposal remains unclear in that only families in these shelters who meet all EA eligibility requirements could be assisted, the FY 18 language imposing a requirement that spaces in domestic violence and substance abuse shelters be filled by dually-eligible families has been removed. DHCD would be required to develop guidance to clarify how this program would operate, and would be required to provide reports to the Legislature on this program.
3. **The DHCD homelessness administrative account (item 7004-0100) is funded at just over \$5.16 million**, a slight decrease from the FY 17 appropriation. This matches the Governor’s proposed allocation.
  4. **Shelters and services for homeless individuals (item 7004-0102) are funded at \$46.18 million**, representing an increase of nearly \$700,000 over the FY 17 appropriation and a \$1 million increase over the Governor’s proposed budget.
  5. **The Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be level funded at \$2 million**. While these funding levels are the same as those requested by the Governor, HWM would add a one-time reporting requirement to the Legislature.
  6. **New Lease for Homeless Families, Inc. (item 7004-0106)**, a non-profit organization that works with affordable housing providers to make units available to families in shelter. HWM includes \$250,000 for the evaluation and implementation of this program, which is not included in the Governor’s proposed FY 18 budget.
  7. **Residential Assistance for Families in Transition (RAFT) (item 7004-9316), a homelessness prevention program for families with children, is funded at \$15 million**, an increase of \$2 million over the FY 17 appropriation.
    - As in prior years RAFT provides up to a maximum of \$4,000 in assistance – but no family can receive from HomeBASE and RAFT more than a total of \$8,000 in a 12-month period.

- HWM removes FY 17 language that expanded RAFT eligibility to elders, persons with disabilities, unaccompanied youth, and all household types. This will cut a significant homelessness prevention benefit to households without children.
- HWM removes language contained in the Governor’s FY 18 budget proposal that would require agencies to make a specific finding that RAFT funds will enable a family to retain or find housing prior to allocating funds.
- HWM retains RAFT reporting requirements to the Legislature that were included in the FY 17 and earlier budgets.

8. **The End Family Homelessness Reserve Fund (1599-0017)**, created in FY 16, and funded at \$1 million in the Governor’s proposed FY 17 budget, would be eliminated by the HWM proposal.

## Housing

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provide housing authorities with operating funds for state public housing, would be funded at \$65.5 million, an increase of \$1 million over last year’s FY17 budget of \$64.5 million. Advocacy organizations are requesting \$72 million to be able to adequately maintain state public housing.

State public housing is an essential housing resource for extremely low income families, seniors, and people with disabilities. There are approximately 45,600 public housing units funded by the Commonwealth. According to DHCD data, public housing residents’ rents pay for 75% of the total operating cost of state funded public housing. The remaining 25% of operating costs are supported by the Commonwealth and other sources.

HWM continues to provide that DHCD should make efforts to rehabilitate local housing authority family units in need of repairs requiring \$10,000 or less, as the FY17 budget provided. With family homelessness on the rise, it is critical to rehabilitate family public housing and bring apartments back on line. In addition, the HWM budget would require housing authorities to offer first preference for elderly public housing to elders receiving MRVP vouchers as was included in the FY17 final budget.

2. **Public Housing Reform (item 7004-9007)**, which was a new line item last year for costs associated with the implementation of the public housing reform law passed in 2014 (Chapter 235 of the Acts of 2014) is **level funded at \$800,000**. Reforms in the new law includes new capital assistance teams, a centralized waiting list, training for public housing authority commissions, technical assistance training for resident commissioners and tenant organizations, new performance benchmarks and residents surveys. There are no details about how these funds would be targeted.
3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)**, which provides critically needed long-term tenant-based and project-based rental subsidies to low-income

tenants is **increased by \$13.5 million - from \$86.5 million in FY17 to \$100 million.** MRVP is among the most effective and flexible of the state's housing programs and a proven tool to assist families and individuals experiencing or facing homelessness to find affordable housing. While \$100 million is closer to the \$120 million which advocates are seeking, it is still not sufficient to cover the cost of what is needed to increase the value of the vouchers so that they better match the current rental market and is not enough to provide new vouchers.

The HWM budget, like the Governor's budget, makes several changes to MRVP. Most importantly, it increases income eligibility from 50% of area median income ("Very Low income") to 80% of area median ("Low Income") but targets up to 75% of vouchers to "Extremely Low Income households (not more than 30% of area median income). These changes were meant to mitigate the "cliff effect" problem allowing more families to increase incomes without losing their vouchers.

Unlike the Governor's budget, HWM continues the requirement from previous budgets, that DHCD report to the legislature on MRVP utilization.

4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** was increased by \$250,000 from **\$4,600,000 to \$4,850,000.** Advocacy organizations requested \$7.5 million to be able to increase this essential rental assistance program for non-elderly, disabled households. This is an essential rental assistance program for non-elderly, disabled households. While the Governor omitted the requirement that DHCD must submit an annual report to the Secretary of Administration and Finance and the Legislature on the number of outstanding vouchers and the number of types of units leased, HWM includes this requirement.
5. **Tenancy Preservation Program (TPP) (item 7004-3045)**, a housing court-based homeless prevention program which helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges, is **level-funded at \$500,000.** Advocates are seeking an increase of \$500,000 which would provide an additional 200 households with TPP services and could increase consultation services to 600 additional households.

TPP is a highly successful homelessness prevention program based in housing courts across the state. TPP keeps tenants in permanent housing versus a shelter, motel, or the streets. In FY16, 480 cases were closed by TPP and homelessness was prevented in 442 of those cases (92% homelessness prevention rate). TPP staff also provided consultation services to an additional 2,369 households ineligible or waitlisted for services. For FY16, the cost per TPP case (total statewide budget/total number of households directly assisted) was \$2,214. In comparison, DHCD estimates on average a homeless family stays in a shelter for 324 days at a cost of \$37,908 per family.

6. **DHCD Administrative Account (item 7004-0099) is decreased from \$7.71 million in FY17 to \$6.98 million.** The HWM budget, unlike the Governor's budget, includes the requirement from previous budgets that DHCD promulgate regulations ensuring that households who qualify for any preference or priority for state subsidized housing based on being homeless or at-risk of becoming homeless keep their

priority when they become temporarily housed with HomeBASE or other temporary subsidies. This language is essential so that people who have temporary subsidies, who may still be at-risk of homelessness, will not lose their priority.

7. **Department of Mental Health Rental Subsidy Program (item 7004-9033)** which provides rental subsidies to eligible clients of the Department of Mental Health, is **increased from \$5.5 million in FY 2017 to \$6.5 million.**
8. **Housing Services and Counseling (item 7004-3036)** which provides grants to nine regional agencies for housing services and counseling is **level funded at \$2.3 million.**
9. **Housing Preservation and Stabilization Trust Fund (HPSTF)** is a flexible fund to provide affordable housing, particularly for those at risk of homelessness. This trust fund was in the Governor's budget (item 7004-4778) at \$5 million and is not included in HWM FY 18 budget. However, the trust fund, which is authorized by G.L. c. 121B, Sec 60, receives unexpended funds from various DHCD accounts, including MRVP.
10. **Housing Court Expansion, which was included in the Governor's budget (item 0336-0003)** to appropriate \$1 million for costs associated with the expansion of the housing court statewide **was not included** in the HWM budget. Housing Courts have a special resources and expertise to address housing issues, including Housing Specialists, the Tenancy Preservation Program, and Lawyer for the Day tables for both tenants and landlords. [Over 130 organizations](#) and a [growing list of municipalities](#) support the statewide housing court expansion. See also letter that 42 Representatives sent House Ways and Means Committee a letter urging it to include funding in the amount of \$1.2 million and authorization for housing court expansion in the FY18 budget. [Click to see letter.](#)

## Legal Services

- For the Massachusetts Legal Assistance Corporation (item **0321-1600**), which supports grants for civil legal aid programs for low-income residents of Massachusetts, HWM is recommending an appropriation of \$19.5 million, an eight percent increase from FY 17. MLAC has been seeking a \$5 million increase (to \$23 million) to help meet the growing statewide demand for civil legal services.

For more information on our summary, contact Margaret Monsell ([mmonsell@mli.org](mailto:mmonsell@mli.org)), who will direct your question to the appropriate advocate.