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The Governor's FY 2016 Budget Proposal: Preliminary Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Health Care, Homelessness Services and Housing Items

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Yesterday Governor Baker released his budget proposal for fiscal year 2016 (FY 16), which is referred to as House 1. MLRI offers this preliminary analysis of selected budget topics impacting low-income residents of the Commonwealth.

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

1. Cash assistance (including TAFDC, EAEDC, SSI state supplement, nutrition assistance)

- **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at only $229.1 million, $21 million less than the FY 15 appropriation after the Governor's 9C cuts.** EOHHS Secretary Marylou Sudders said that the reduced amount was based on projected caseload declines and not on a plan to cut benefits or eligibility. The proposed amount would be enough to cover benefits at current low levels for about 38,300 families compared with the caseload of

40,500 in December 2014 and the caseload of 52,700 two years before that. The caseload is continuing to plummet because of new DTA procedures that make it much harder for recipients to maintain their benefits. We are also concerned that, despite the Secretary's assurances, the projected caseload drop is based in part on the expectation that many recipients will lose benefits when the Administration implements the welfare bill that was enacted last summer. The Governor failed to direct any of the "savings" from the projected decline in the caseload to a long overdue increase in the cash benefit which has lost more than half its value since 1988.

- **Clothing allowance amount set at $150 per child.** Current and past years' line items also increased the standard of need in September when the clothing allowance is paid to allow very low income working families to qualify. House 1, like past governors' proposals, says the standard of need "may" be raised in September but would not require it to be raised.

- **The line item does not include language requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** In FY 15, the Legislature required 67 days' advance notice. 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 Employment Services Program (ESP, item 4401-1000) would be level-funded at $11.8 million.** This was an increase of $4.2 million over FY 14 but still less than one-third of the $36 million appropriated in FY 02. In federal FY 12, Massachusetts ranked 51st 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. Like previous governors, the Governor does not propose any earmarks for this account. Currently, the program funds the Young Parents Program; some 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.

- **Pathways to Self Sufficiency (item 4400-1979) would be funded at $3.3 million.** This is new funding for the job placement and training program that was established by last summer's welfare bill. The funding is also intended to pay for the "full employment" program which the welfare bill was supposed to "revitalize." The "full employment" program, which has never had more than a handful of participants, diverts recipients' cash and food stamp benefits to subsidize wages at a private employer. 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.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $78.9 million,** $6.6 million less than the FY 15 appropriation after 9C cuts. 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. Like the TAFDC line item, House 1's proposed EAEDC line item does not include language requiring 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 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. **Teen Living Programs (item 4403-2119) would be funded at $9.9 million,** the same as the final FY 15 appropriation *before* 9C cuts. 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. Advocates are concerned that the proposed appropriation will not be enough to maintain the beds that are expected to be added in FY 15.

3. **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. 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 $70.8 million,** $4.1 million more than FY 15. 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. The Governor proposes to retain language in the current line item that gives the Commissioner the authority to transfer funds between the TAFDC, EAEDC and SSI Supplement accounts "for identified deficiencies." This language would not prevent transfers even if they would create deficiencies.

- **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.**

4. **Other Nutrition Programs (Not Administered by DTA)**

- **The state subsidy for Elder Nutrition Programs (item 9910-1900)** would be nearly level funded at $7.2 million.

- **The state subsidy for the Women, Infant and Children's (WIC) Program (item 4513-1002)** would be level-funded at $12.5 million compared to FY 15.

- **The Massachusetts Emergency Food Program (MEFAP) (item 2511-0105) is level funded at $15 million.** This program, which supplements federal TEFAP funding, is administered by the federal Department of Agriculture Resources (DAR). Maintaining this funding level is a good starting place but still not enough in light of the unrelenting demand for emergency food.. Food banks and food pantries are now reporting a significant spike in food demand since DTA implemented unfiltered data matching and modernization changes in 2014, causing the SNAP caseload to plummet at a rate 8 times faster than the national average.

Child Care

1. **The Governor proposes a $6.6 million increase in funding for the main child care subsidy accounts (TAFDC-related child care, income-eligible child care, and supportive child care).** We do not yet know if this is enough to fund even the current number of child care slots in FY 16.

- **Child care for current and recent recipients of TAFDC (item 3000-4050) would be funded at $121.4 million,** a cut of $10 million compared with the FY 15 appropriation after 9C cuts. The drop may be due to anticipated declines in the TAFDC caseload. If so, the Administration does not expect that parents who will be leaving TAFDC have income from employment, because if the parents had jobs they would be accessing child care from this line item. The cut also suggests that despite the rhetoric that accompanied the recent welfare bill, the Administration does not expect an increase in the numbers of parents receiving TAFDC who will be working or in education or training. The proposed line item does not include a longstanding provision, also omitted by past governors, that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees.

- **Income Eligible Child Care (item 3000-4060) would be funded at $252.9 million, about $10 million more than the FY 15 appropriation.** However, the increase may simply represent continuation for new slots funded in FY 15 at $15 million by item 3000-4040. Item 3000-4040 would be eliminated.

- **Supportive Child Care (item 3000-3050) for children referred by the Department of Children and Families would be funded at $100.2 million** compared with the FY 15 appropriation of $79.7 million. This appears to be an important recognition that families involved with DCF need supportive services including child care. The Governor does not include current budget language that all children eligible for child care through this account shall receive it, and instead would require EEC and DCF to develop a waitlist. Many families are denied child care despite the current budget language. While we do not endorse taking away the promise of care in the current line item, a waitlist would at least document the unmet need.

- **Head Start (item 3000-5000) would be level-funded at $8.1 million.**

- **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.**

Child Welfare: Department of Children and Families and Office of the Child Advocate

1. **The Governor proposes funding DCF at $900.5 million in FY 16, a $29.2 million increase over FY 15 projected spending. In February of this year, the Governor requested an additional $35 million for FY 15 DCF funding in a mid-year spending bill that is pending in the legislature.** (This supplemental request is included in FY 15 projected spending. This means that all DCF FY 16 increases over FY 15 projected spending identified in this section are on top of the supplemental request.)

- **The FY 16 increase would primarily cover the costs of the many new social workers DCF hired in 2015. The FY 15 supplemental request would cover the costs the Department has already incurred by placing significantly more children in foster care over the past year.** Both are, in large part, responses to the death of Jeremiah Oliver, a child in DCF's caseload whose disappearance prompted a serious examination of the Commonwealth's ability to keep its children safe. At the same time that DCF has significantly increased its reliance on foster care, it has not increased funding for family stabilization and support services that are needed to keep children safely at home and out of foster care, and to reunify them safely with their parents if they have been placed in foster care.

- While House 1 is the first DCF budget that exceeds its pre-recession level of $836.5 million, the value of DCF's House 1 budget is still less than the FY 09 DCF budget adjusted for inflation.

2. **House 1 would increase spending for social workers (4800-1100) by $8.9 million over projected FY 15 spending.** FY 15 projected spending on social workers is $21 million more than FY 14 spending. This FY 15 increase was used to hire many new social workers. The Governor's proposal for FY 16 would maintain current social worker staffing levels.

- According to DCF, the department now has 275 more social workers than it did a year ago. DCF's contract with its union requires social worker caseloads of 15:1. However, according to SEIU local 509 (the DCF social worker's union), as of December 2015, 736 DCF workers were handling over 20 cases, and 167 workers were handling over 22 cases. The current statewide average caseload is 18.46 cases per worker.

- 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.

- DCF social workers would not be subject to Governor Baker's proposal to decrease the state employee work force through retirements. The Governor's plan would apply only to "Group 1" employees, while DCF social workers and supervisors are "Group 2" employees. The Governor's plan presumably would apply to DCF managers unless an accommodation was made to retain experienced DCF management.

3. **House 1 includes $558.7 million for the department's three services accounts, (items 4800-0038, 4800-0040 and 4800-0041), an increase of $13 million over FY 15 projected spending.** The Governor also proposes, in the DCF Administrative account (4800-0015), to allow DCF to transfer funds among its three services account and the "lead agency" account (4800-0030).

- **The Governor's proposed FY 15 supplemental budget requested an additional $35 million for two of these services accounts.** This request was primarily to cover the costs of the enormous spike in removals of children from their homes and their placement in foster care that took place last year.

- **By January of 2015, 1,000 more children had been removed from their homes and placed in foster care than at the same time the previous year. This represents a 10% increase in foster care placements over the course of a year.**

Most of these children were placed in family foster homes, some in congregate (institutional) care.

- **$7.6 million of the Governor's FY 15 supplemental request was** for the "Services for Children and Families" account (4800-0038) **to cover the cost of increased placement of children in family foster homes.** The increase in the "Services for Children and Families" account also includes **an approximately 6% foster care payment rate increase.** According to DCF, these new rates are consistent with USDA 2012 recommended costs of caring for a child.

- **$27.4 million of the FY 15 supplemental request was to cover the costs of increased placement of children in congregate care** (4800-0041). Although fewer children are placed in congregate care than in family foster homes, significantly more funding was needed for congregate care due to its high cost. According to DCF, on average each 10 children in congregate care costs DCF over $1 million a year.

- **The "Family Support and Stabilization" account (item 4800-0040) would be level funded at $44.6 million**. This account funds services vitally needed to keep children safely in, or return them safely to, their homes. They help avoid the trauma, family disruption and financial costs to the state of placement in foster care.

- In the 64% 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 the DCF services budget, most of which covers the costs of out-of-home placement. As of March 2014, 89% of the children under 18 in DCF's caseload remained at home, or were in foster care with a goal of returning home, and needed family stabilization and support services to remain safely with, or return safely to, their families. However, House 1 would allocate less than 8% of DCF's services budget to serve these children.**

4. DCF's administrative account (item 4800-0015) would be increased by $4.5 million over projected FY 15 funding.

- This increase would fund additional staff to perform criminal background checks of potential foster parents. This staff is needed to meet the requirements of a new criminal backgrounds check law which requires that DCF ensure not only that children are safe in foster homes, but also that qualified foster parents, including relatives, are not unnecessarily excluded due to old and/or non-serious criminal records that would not impact their ability to provide safe, loving homes for children.

- It would also provide paralegal staff to assist the department in documenting claims for federal Title IV-E reimbursements to help ensure that Massachusetts receives the federal reimbursements it's entitled to.

- **House 1 would eliminate a longstanding requirement that DCF ensure its administrative hearing system is timely and fair. It would also eliminate the requirement that DCF report to the Legislature on its large fair hearing backlog.** The FY 15 budget required DCF to provide two detailed reports on its hearing backlog. Previous Governor's budgets had also proposed to strip these requirements, but the Legislature included them.

- **House 1 would strip current and longstanding reporting requirements which the Legislature requires to fulfill its oversight responsibilities.** Among these are requirements that the Department report on the services it provides to: keep children safely in their homes, support kinship families, maximize federal reimbursements available to support kinship guardianships, and identify where it refers families when DCF denies their voluntary requests for services. Previous Governor's budgets had also proposed to remove these requirements, but the Legislature included them.

- **House 1 funds the lead agency account (item 4800-0030) at $6 million.** Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves.

5. **Services to victims of domestic violence (item 4800-1400) would essentially be level funded at $24 million. This represents a substantial decrease in the value of this line item since FY 09.** This account provides beds for domestic violence shelter, supervised visitation, and supports to victims of domestic violence, and pays for DCF domestic violence staff. **These preventive services are not restricted to DCF involved families, and can help prevent abuse and neglect from happening in the first place. Often, the domestic violence shelter system is full and must turn away many domestic violence survivors who then turn to the Emergency Assistance program for shelter for themselves and their children.**

6. **Funding for the Office of the Child Advocate (item 0411-1005), would be $450,000.** Although this is $250,000 less than FY 15 projected funding, $400,000 of FY 15 funding was allocated for specified one-time evaluations of management at DCF.

7. **House 1 funds DCF's Family Resource Centers at $9.9 million** through two separate line items: DCF's family resource center line item (4800-0200) at $7.4 million, and EOHHS' family resource center line item (4,000-0051) at $2.5 million. This represents an increase of $2.1 million over FY 15 projected spending which would assist an expansion from the 14 centers that have been awarded contracts so far in FY15 to 18 centers, as well as covering increased provider rates.

   - These centers connect 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 "FACES" law) which replaced the former CHINS program with a system of community based services for families in need.

Selected Health Issues in MassHealth, ConnectorCare and other Health Programs.

1. **The Governor proposes limiting the rate of growth in the MassHealth accounts to 5.6% for FY 16.**

   - The various MassHealth accounts represent nearly $15.3 billion in total state spending, including a federal match of approximately 50 percent. The Administration would hold the rate of growth in the program to $950 million across the board. The rate of growth was a projected 16% hike, if left unchecked from FY 2015. The single largest cause of the reduction in the rate of growth will be a new emphasis on program redeterminations of the existing caseload, currently estimated to be 1.9 million people. Redeterminations are expected to net about $400 million in savings, according to the State House News Service. Additional savings are attributed to a greater reliance on data matching, the bulk purchasing of durable medical equipment, and the approval of shorter-term drug prescriptions to prevent waste and abuse.

2. **The MassHealth Dental Program will remain at the levels set for the end of the fiscal year.**

   - **Section 39** authorizes the MassHealth program to provide dental services at the level provided in June 2015. Since last year's budget enacts a restoration of dentures, effective May 2015, the expanded dental program will include dentures for all of FY 16. Although MassHealth has categorized this as a full restoration of dental services, certain restorative services, such as periodontal services, are still not included in the restoration of services as they existed in 2002.

3. **The Governor does not cut any eligibility or optional services, with the exception of chiropractic services.**

   - **Section 45** authorizes MassHealth to adjust chiropractic services from the amount of service provided in 2002. This is the only optional service cut in the Governor's budget. There are no proposed cuts to categories of persons eligible for MassHealth services.

4. **MassHealth Autism Services.**

   - The Executive Summary of the Budget reports the funding of Applied Behavioral Analysis services for 10,000 children with autism.

5. **No substantive changes to the state's Connector Care Program**

   - **Section 34** transfers $110 million from the Commonwealth Care Trust Fund to the General Fund. This $110 million is reflects the fact that the CCTF will collect more revenue ($110 million) from e.g., cigarette taxes and the employer assessment than it needs. No substantive changes to the ConnectorCare program itself - i.e., no changes to base premiums, Similarly, no changes are recommended to copays charged, plan designs, or eligibility.

6. **Section 5** transfers the Center for Health Information and Analysis (CHIA) to The Executive Office of Health and Human Services.

Homeless Services

1. **Emergency Assistance (item 7004-0101) for homeless families with children would be funded at $154.87 million, at least $29.5 million less than projected FY 15 spending, and would establish even more onerous eligibility restrictions.**

   - 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.

   - House 1 would continue these restrictions, in spite of strong demand by medical providers and others working with homeless families to provide shelter to those "within 24 hours of staying in a place not meant for human habitation" so that children do not have to sleep in cars, emergency rooms, or other inappropriate places before receiving shelter. **Indeed, House 1 would make the restrictions *more onerous* in FY 16 by removing eligibility for (1) families who are homeless and have engaged in irregular housing/chronic couch surfing over a sustained period of time and have now exhausted all their options and (2) families who are homeless and staying in someone else's unit that does not satisfy the State Sanitary Code.** ***This proposed change would dramatically increase the number of families who would have to stay in a place not meant for human habitation before being eligible for shelter and expose more children to dangerous conditions.***

   - The proposed funding level is likely inadequate to provide emergency shelter for the entire fiscal year. Fortunately, there is a strong tradition of the Legislature providing supplemental funding to ensure shelter access to those who are eligible under the strict eligibility rules. And House 1 also proposes to create a new End Family Homelessness Reserve Fund, funded at $20 million (see 3. below).

   - **House 1 proposes to eliminate protection against unreasonable verification demands.** 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. House 1 retains this language but would remove 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.

- **House 1 also omits language barring eligibility or benefits restrictions except after 60 days' advance notice to the Legislature.** 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. House 1 also proposes to eliminate quarterly reporting requirements to the Legislature about what is happening to families, including those denied shelter. These same proposals were made by the prior Administration and rejected by the Legislature in last year's budget process.

2. **HomeBASE (item 7004-0108) would be funded at approximately $26.25 million, an increase of approximately $293,800 over projected FY 15 spending.**

- This program was created in FY 12 to provide short term rental assistance instead of shelter to homeless families. **House 1 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.
- House 1 would remove the current restriction that prevents families from receiving RAFT funds if they have already received the maximum amount of HomeBASE. However, this restriction is carried forward in the RAFT line item (see 6 below).
- As with EA, House 1 proposes to eliminate the Administration's obligation to provide the Legislature with 60 days' advance notice before new eligibility restrictions or benefits reductions are imposed and its obligation to provide timely reports to the Legislature.

3. **A new End Family Homelessness Reserve Fund (1599-0017) would be created and funded at $20 million.** This reserve account is established within the Executive Office of Health and Human Services, which hopefully signals the Administration's intention to bring a more enlightened human services approach to its efforts to assist homeless families with children. As of this writing, the Administration's intentions for this account are not known, other than the description in the new line item itself, which sounds much like HomeBASE and provides that the funds "shall be used to provide tailored and flexible short-term assistance to families that are homeless with a goal of rapid housing stabilization," "may be used for prevention, diversion, or stabilization," and may be transferred to other accounts to meet costs consistent with the goal of the reserve account.

4. **Shelters and services for homeless individuals (item 7004-0102) would be funded at just over $40.8 million,** a decrease of more than $2.1 million over the FY 15 appropriation. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be level funded at $1.8 million,** compared to projected FY 15 spending.

5. **The DHCD homelessness administrative account (item 7004-0100) would be funded at just over $6.4 million,** an increase of more than $467,000 as compared to FY 15 spending.

6. **The Residential Assistance for Families in Transition (RAFT) program (item 7004-9316),** a homelessness prevention program for families with children, **would be level-funded at $11 million, compared to projected FY 15 spending.**

- 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 housing. As in FY 14, 90% of the funds would targeted to families with incomes not greater than 30% of Area Median Income who are homeless and moving into unsubsidized housing, 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. In FY 15, 50% of the funds were targeted to the lowest income families.

- House 1 would *remove* language allowing RAFT to help the lowest income families (below 30% AMI) move into subsidized housing, which will impede these families' ability to secure permanent housing.

- House 1 also eliminates RAFT reporting requirements to the Legislature that were included in the FY 15 budget.

Housing

1. **Public Housing Operating Subsidies (item 7004-9005),** which provide housing authorities with operating funds for state public housing, would be virtually level funded under House 1 at **$64 million.** Advocacy organizations' requested $69 million to be able to more adequately maintain state public housing a critical resource for extremely low income families, seniors, and people with disabilities.

   In addition:

- The FY15 budget required housing authorities to offer first preference for elderly public housing to elders receiving MRVP vouchers. **This language was not included in House 1.**

- House 1 continues to provide that DHCD should make efforts to rehabilitate local housing authority **family units** in need of repairs requiring $10,000 or less. The FY15 budget allowed for up to $20,000. There are currently 13,483 state family public housing apartment - 10,542 apartments in developments funded through the state's

Chapter 200 program and 2,941 apartments funded through the state's Chapter 705 scattered site program). With family homelessness on the rise, it is critical to rehabilitate these units and bring them back on line.

2. **Public Housing Reform (item 7004-9005)** is new line item in the amount of **$800,000** for costs associated with the implementation of the new public housing reform law passed in 2014 (Chapter 235 of the Acts of 2014). While there are a number of new requirements and programs in the new law, including new capital assistance teams, 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. **The Massachusetts Rental Voucher Program (MRVP) (item 7004-9024),** which provides long-term rental subsidies to low-income tenants in the private housing market, would be **increased from $65 million** (before a 9C cut) **to $75.4** million. Although this increase goes in the right direction, these amounts are still insufficient to provide critically-needed additional vouchers for poor households, especially those experiencing or facing homelessness. Housing and homelessness advocates had urged the Governor to fund MRVP at $100 million and will continue that advocacy in the Legislature.

- House 1 does not include a provision in the FY 15 budget that most new MRVP mobile vouchers should go to households on current housing wait lists and also 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 **level funded at $3.55 million**.

- This program is for non-elderly, disabled households and has been traditionally labeled as a "transitional" voucher program. House 1 omits the word "transitional" and instead refers to it as a program of rental assistance for this population.

- House 1 adds language that DHCD shall pay administering agencies an administrative fee per voucher per month, but does not state the amount.

- House 1 omits the requirement that DHCD must submit an annual report to Secretary of Administration and Finance and the legislature on the number of outstanding vouchers and the number of types of units leased.

5. **The Tenancy Preservation Program (TPP) (item 7004-3045),** a housing court-based homeless prevention program which helps preserve tenancies of persons with disabilities, would be **level funded at $500,000.**

- 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.

- Advocates sought an increase of $500,000 which would provide an additional 200 households with TPP services and could increase consultation services to hundreds of additional households and be available to anyone including those without disabilities. MassNAHRO also supports this increase.

6. **DHCD Administrative account (item 7004-0099) is decreased slightly from $7.8 million (prior to a 9C cut) to $7.3 million.**

   - House 1 deletes from this item the requirement in the last 3 budgets that DHCD promulgate regulations ensuring that those who are in receipt of temporary housing subsidies retain any housing admissions priority for homeless and at-risk households.

   - The deletion of this provision could mean that households receiving rent stipends under the HomeBASE Household Assistance program and other time-limited rental assistance programs will be denied priority for state-assisted housing, thereby increasing the risk that they will become homeless again when their temporary assistance ends – the very result the Legislature was attempting to prevent.

7. **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 million a decrease of approximately $76,000 from last year. (This account was also subject to a 9C cut during FY 15.)

8. **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 $1.71 million, a decrease of approximately $400,000.

9. **New Item – Urban Agenda Housing (7004-9008),** which provides $1 million in planning grants to local housing authorities and municipalities in urban areas to develop new affordable rental or homeownership housing under criteria established by DHCD.

State Earned Income Tax Credit Program

1. In legislation accompanying his FY 16 budget proposal, the Governor is recommending that the **state earned income tax credit program (EITC) be doubled** (from 15 percent of the federal EITC to 30 percent of that amount) over a period of four years, starting in 2016. The federal and state EITC programs provide a refundable tax credit for low-income working families and individuals. This proposal would increase the maximum amount of the state EITC (based on current formulas) from $937 to $1,874. The state EITC has not been increased since the year 2000.

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, House 1 is recommending funding in the amount of $14.7 million, which is below the FY 15 appropriation of $15 million (which itself was reduced by 1.79 percent in February of this year by chapter 2 of the acts of 2015). Additional funding for MLAC is critical to help to meet the increasing statewide demand for civil legal services.

For more information, contact Margaret Monsell, mmonsell@mlri.org, who will direct your question to the appropriate MLRI Advocate.