MLRI MASSACHUSETTS LAW REFORM INSTITUTE

Senate Ways and Means FY 2026 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

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On May 6, 2025, the Senate Committee on Ways and Means released its budget proposal for fiscal year 2026 (FY 26), which is referred to as Senate 3. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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Cash Assistance, SNAP and Related Items Administered by DTA

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 House Budget	FY 25 SWM
4403-2000	TAFDC	$496,227,969	$466,729,423	$467,416,063	$466,729,423
4401-1000	Employment Services	$18,888,929	$20,557,862	$18,857,862	$20,557,862
4400-1979	Pathways to Self Sufficiency	$1,000,073	$990,072	$990,072	$990,072
4408-1000	EAEDC	$183,182,092	$208,990,924	$208,990,924	$208,990,924
4405-2000	State supplement to SSI	$207,132,056	$195,347,995	$195,347,995	$195,347,995
4403-2007	Supp. Nutrition Program	$350,000	$8,359,783	$8,359,783	$8,359,783
4400-1020	Secure Jobs Connect	$5,050,000	$5,000,000	$5,050,000	$5,000,000
4403-2008	Transportation Benefits for SNAP Path to Work Participants	$500,000	$356,537	$356,537	$356,537
4403-2119	Structured Settings for Parents Under 22	$13,846,348	$13,862,439	$13,862,439	$13,862,439
4401-1003	Two Generation Economic Mobility	$2,000,000	$1,980,000	$1,980,000	$0
4400-1100	Caseworkers Reserve	$96,440,102 (Note: not including additional funding from FY24 Supp*)	$142,913,665	$101,262,107 (see note below*)	$142,913,665
4400-1000	DTA Administration and Operation	$103,005,936*	$112,502,510	$107,912,031	$107,462,031
4400-1025	Domestic Violence Specialists	$2,194,657	$2,329,398	$2,329,397	$2,329,398
4400-1001	Food Stamp Participation Rate Programs	$5,019,027	$5,294,419	$5,024,032	$5,294,419
4400-1004	Healthy Incentives Program (HIP)	$15,000,000	$18,820,000	$20,100,000	$25,400,000
4400-1031	Replacing Stolen SNAP Benefits	Authorization to continue $1,000,000 prior appropriation through Sept. 1, 2025	$0 (Not included in FY26)	$0 (Not included in FY26)	$0 (Not included in FY26)

* For line items 4400-1100 and 4400-1000 above, the FY24 Supp Budget (Chapter 77 of the Acts of 2023), provided a $60.3 million reserve (item 1599-1101) authorizing DTA to access those funds for both DTA case worker and related administrative expenditures through June 30, 2025. According to DTA, the

$60.3M was evenly distributed between the Caseworker Reserve and Administration and Operation line item, providing for union-negotiated pay increases and to hire 300 additional staff to address the increase in the SNAP caseload.

1. Cash Assistance (including TAFDC, EAEDC, SSI State Supplement)

- **TAFDC and EAEDC grant increases to be maintained (items 4403-2000 and 4408-1000).** TAFDC and EAEDC grants were increased by 10% beginning in April 2025. Senate Ways and Means, like the House, provides that the standards for FY 26 shall not be less than those in effect in FY 25. House Ways and Means staff confirmed that the House intended its language to maintain the FY 25 increases in FY 26. In its Executive Summary, Senate Ways and Means notes that the "annualization signals that the Senate will continue to uphold its commitment to support working families, amidst the ongoing uncertainty." MLRI strongly supports the annualization of this critically important increase.

  Unlike the House and SWM proposals, the Governor's House 1 budget would eliminate the April 2025 increase at the start of FY 26, reducing grant levels in July 2025 down to the amounts that went into effect in October 2022, three years earlier. The FY 24 budget (July 2023-June 2024) also increased grants by 10% starting April 2024, but the Governor eliminated that increase in January 2024 using her "9C" powers. There is no precedent for cutting grants in this way.

  The April 2025 increase raised the maximum TAFDC grant for a family of three to $861 per month, and raised the maximum EAEDC grant for an individual to $441 per month. Despite these increases, grant levels remain below half the federal poverty level, also known as Deep Poverty, which is now $1,110 a month for a family of three. The poverty level and Deep Poverty level go up every year to keep pace with inflation. TAFDC and EAEDC grants, on the other hand, do not get regular cost of living increases. TAFDC grants have lost 40% of their value since 1988; EAEDC grants have lost even more. H.214 (Rep. Decker) and S.118 (Sen. DiDomenico) would increase benefits by 20% a year until they reach half the federal poverty level, and then would increase benefit levels more slowly as the poverty level increases with inflation. The Poverty Commission bills, SD.2872 (Sen. DiDomenico) and HD.4622 (Rep. Decker), filed May 1, 2025, seek the same 20% increases and cost-of-living increases.

- **TAFDC Clothing Allowance maintained at $500 per child (item 4403-2000).** Senate Ways and Means proposes to maintain the annual TAFDC children's clothing allowance at $500 per child, the same as in FY 25. The Governor also proposed maintaining the clothing allowance amount at $500, but the House reduced the clothing allowance to $450 per child.

  The clothing allowance is an important benefit for families with children, provided once per year in the month of September, to help families buy necessary clothing items close to the beginning of the school year. Like both the Governor and House, SWM keeps the longstanding provision that increases the standard of need in September by the amount of the clothing allowance, thereby allowing very low-income working families to qualify. According to DTA, a few hundred families qualify for TAFDC in September because of the increase in the standard of need.

- **Senate Ways and Means TAFDC line item (4403-2000) proposal is similar to the Governor's and the House proposals.** SWM proposes $466.7 million for TAFDC (4403-2000), slightly less than the House and the same as the Governor's proposal. Both the Governor, the House, and SWM propose roughly the same dollar appropriation, even though the Governor would eliminate the April 2025 grant increase in FY 26, and even though the House would cut the clothing allowance.

  It appears that the House and SWM are projecting a much lower TAFDC caseload for FY 26 than the Governor. The Governor's budget was filed in January 2025, based on the FY 26 caseload the Administration projected in November or December 2025. The TAFDC caseload has been going down since then, so there is reason to believe the House and SWM projections, which are based on more recent data, are closer to the mark.

- **Continued bar on TAFDC eligibility for pregnant persons in the first two trimesters (4403-2000).** SWM retains language in the TAFDC line item restricting cash assistance eligibility to people in their third trimester of pregnancy. This restriction is not required by any federal or state law. Both the Governor and the House proposed changing the line-item language to expand cash assistance eligibility for pregnant people upon verification of pregnancy. Having even the small amount of cash assistance TAFDC provides ($564 a month for a pregnant person with no income) is an important, though far from sufficient, step towards better maternal and fetal health.

- **No stipend funding for DTA advisory board participants (item 4403-2000).** SWM, like the House, does not include funding for stipends for applicants and recipients who participate in DTA advisory boards. The Governor did propose continuing it in FY 26. The stipend is $400 a year and is not counted as income. Recipient participation on Boards ensures the voices of consumers are heard and helps identify access issues and inform state policy. Stipends help address the costs (childcare, travel, internet) of attending board meetings. We also recommend that DTA provide stipends to former recipients who participate in Advisory Boards, unless they are employed by an agency that pays for their time while they attend meetings.

- **Maintaining benefit levels for families in shelter (item 4403-2000).** The Senate Ways and Means TAFDC line item, like the House, includes language adopted several years ago at advocates' urging to remove the reduction in benefits for families in shelter. The Governor deleted this language in her budget proposal. Families in shelter use TAFDC benefits to build up savings for rental costs once they obtain housing and travel costs to search for housing and/or employment. Reducing benefits for families in shelter would stymie those efforts.

- **Preventing changes to benefit calculations that would result in benefit decrease (item 4403-2000).** The Senate Ways and Means line item for TAFDC, like the House, includes language urged by advocates – and omitted by the Governor –

barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase. The Legislature adopted this language after a previous Administration proposed counting a parent's SSI benefits against the TAFDC grant, which would have caused many children to lose their TAFDC. SWM – like the House and unlike the Governor – also includes the current requirement of 75 days' advance notice before DTA proposes any changes to the disability standard, and the requirement that DTA tell recipients about their eligibility for child care.

- **Maintaining Transitional Support Services for families whose TAFDC case closes due to income (item 4403-2000).** SWM proposes not less than $1 million for Transitional Support Services, the same as the Governor, and slightly more than the House. Currently, these families are eligible for four months of transitional benefits after their TAFDC ends, starting at $280 a month and reducing month by month to $70 in the fourth month. Transitional Support Services serve as an off-ramp for families whose cases close due to being over-income for TAFDC, including due to sustained employment.

- **Small increase for Employment Services Program (item 4401-1000) and Pathways to Self Sufficiency (item 4400-1979).** These accounts fund employment services for TAFDC recipients. The Employment Services Program (ESP, item 4401-1000) would be funded at $20.6 million, the same as the Governor's proposal and about $1.7 million more than the House. The Senate Ways and Means proposes $990,072 for Pathways to Self Sufficiency, the same as the Governor and the House. Like the House, the SWM proposal earmarks not less than the FY 25 spending amounts for the Young Parents Program and education and training for TAFDC parents, not less than $170,000 for learning disability assessments, and not less than $200,000 for the DTA Works Program (paid internships at state agencies). The House proposes to earmark $1.5 million for ORI job search services; SWM proposes to double that amount. House 1 does not propose any earmarks for ESP. Like the House, SWM includes the current requirement – omitted by the Governor – that the Administration report on program outcomes.

- **Increased funding for EAEDC line item (4408-1000).** Senate Ways and Means proposes $209 million for EAEDC (Emergency Aid to Elders, Disabled and Children, the same as the Governor and the House. This is an increase of nearly $26 million compared with the FY 25 appropriation of $183.2 million. The SWM funding proposal, like the House proposal, is the same as the Governor's, even though SWM and the House maintain the 10% increase (effective April 2025) in FY 26 and the Governor's proposal eliminates the increase. Perhaps SWM and the House are projecting a lower caseload average for FY 26 than the Governor projected. EAEDC caseloads have been relatively stable, increasing slowly over FY 25.

  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 benefits paid for some EAEDC recipients. EAEDC is especially important for older adults and persons with disabilities who may face longer waits for their Social Security and SSI benefits due to the Trump Administration's planned closure of some SSA field offices, reduced telephone access, and increased in-person requirements.

Like the House, SWM proposed EAEDC line item includes language omitted by the Governor requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. SWM proposed line item, like the House, also specifies that homeless persons shall receive the same basic grant as recipients who incur shelter costs; the Governor did not include this requirement.

- **Reduction in State Supplement for SSI line item (4405-2000).** The state supplement for SSI (Supplemental Security Income) would be funded at $195.3 million, the same as the Governor and the House. This is $11.8 million less than the $207.1 million appropriation in FY 25, likely due to a caseload decline. Like many other states, Massachusetts provides a state-funded supplement to federal SSI. The Massachusetts amount varies depending on the person's living arrangement and whether the person is 65 or older, blind, or severely disabled. In Massachusetts, the state supplement for a disabled person is currently $114 a month. It has not been raised in many years. The Poverty Commission bills filed May 1, 2025 (SD.2872, HD.4622) propose a $50 per month rent allowance for SSI households paying unsubsidized rent, a small step in the right direction.

- **Increase to Supplemental Nutrition Program for working families (item 4403-2007).** The Supplemental Nutrition Program would be increased to $8.4 million because of a change in federal law; this is the same as the proposal by both the Governor and the House. This program provides a small state SNAP supplement to thousands of low-income working families who receive federal SNAP benefits.

- **Secure Jobs Connect (item 4400-1020)** would be funded at $5 million, the same amount as the Governor proposed and a $50,000 decrease from FY 25 and the House's FY 26 proposal. This program provides employment support, job training and job search services for homeless or previously homeless families through community-based organizations.

- **Transportation benefits for SNAP Path to Work participants (item 4403-2008)** would be reduced to just under $360,000, a reduction of about $140,000; this is the same as the proposal by both the Governor and the House. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a work activity and keep their benefits.

- **Increasing participation in SNAP (item 4400-1001) would be increased to $5.3 million.** Senate Ways and Means' proposal matches the increase proposed by the Governor, whereas the House proposed to essentially flat fund this item. The line item provides funding for Project Bread's Food Source Hotline and other DTA projects to increase access to SNAP benefits. Many SNAP outreach activities are 50% federally reimbursable. The line item does not include language, included in the House budget via an amendment, to establish a pilot that would track SNAP household purchases; MLRI and other MA organizations raised significant concerns about data privacy, costs, and unintended consequences of this pilot.

- **Funding for grants to support economic mobility among high risk parents (item 4401-1003) would not be funded at all.** The Governor and the House would continue approximately $2 million in funding.

2. **No changes to the TAFDC Learnfare rule or other antiquated TAFDC rules.** Learnfare sanctions children if they are determined to have had too many absences the school does not record as excused. Last school year, over 3,000 children were put on "Learnfare probation" and 500 children were cut off their family's grant. There is no evidence that sanctioning children helps them stay in school. Other examples of TAFDC behavioral rules – many with racist origins – include requirements that the parent pursue child support against the noncustodial parent even when doing so is not in the child's best interest, work requirements, time limits, and terminating TAFDC for children when they reach age 18 if they won't graduate from high school by age 19.

3. **Living programs for parents under 22 (item 4403-2119).** Senate Ways and Means proposes $13.9 million in funding, the same amount as the Governor and House proposed and slightly more than the FY 25 appropriation.

4. **Funding for DTA domestic violence workers (item 4400-1025).** Senate Ways and Means proposes an increase from $2.2 million to $2.3 million, the same amount the Governor and House proposed. This may be due to previously agreed-upon salary increases.

5. **Insufficient increases in DTA Administration and Operations (item 4400-1000) and DTA Case Worker Reserve (item 4400-1100), despite elevated need.**

   SNAP helps 1 in 6 MA residents put food on the table, but significant participation gaps remain. Elevated need continues due to high rent costs, rising food costs, and the destabilizing threat of tariffs. MA food banks report that demand for emergency food now exceeds need at the height of the COVID-19 pandemic. SNAP benefits are 100% federally funded and issued directly to families. 50% of the state's SNAP administrative costs are reimbursed by the federal government. SNAP is the most efficient and effective program we have to address food insecurity, support local grocers, and stimulate the Commonwealth's economy.

   Yet, low income Massachusetts households face extraordinary barriers getting help from DTA. For example, in February and March 2025 about 70 percent of calls trying to reach a worker for help were automatically disconnected due to high call volume. When DTA's phone lines are impenetrable for most callers, SNAP benefits are delayed or denied to eligible families.

   For DTA to provide timely customer service and increase federal nutrition resources, it needs to increase staffing and make improvements to its phone and eligibility systems. Lack of additional investment in DTA will also hamstring the state's ability to weather federal changes that may add administrative burdens to the program and could subject the state to fiscal penalties. SWM does not propose meaningful increases for these two line items:

- **DTA Caseworkers Reserve (item 4400-1100) would be increased slightly to $142.9 million.** This proposal matches the Governor's, while the House proposal is $41.6 million less. This item was originally funded at $96.4 million in the FY 25 General Appropriations Act, but the FY 24 Supplemental Budget reserve account (item 1599-1101), Chapter 77 of the Act of 2023, provided an additional $60.3 million to fund both the Caseworker Reserve and DTA administration and operation expenses. According to DTA, this $60.3 million was split between the two line items. It addressed negotiated collective bargaining pay increases and allowed DTA to hire 300 case workers in late FY 24 and early FY 25. Without the funding proposed by the Governor and SWM, DTA would have to lay off staff that are critically necessary to help DTA accurately and timely administer SNAP.

- **DTA Administration and Operations funding (item 4400-1000) would be increased to $107.5 million from the $103 million appropriated for FY 25.** Senate Ways and Means' proposal, like the House budget, is approximately $5 million lower than the Governor's proposal of $112.5 million. This line item funds DTA Central Office staff, program administration, IT improvements, and local DTA office clerical, hearings, and support staff. As noted above, DTA was provided funds for both program administration and staffing in an FY 24 supplemental budget. Some of the increase over FY 25 may reflect proposed spending on Central Office staffing and salaries, IT investments to manage DTA benefit programs, Summer EBT (SUN Bucks) administration, or EBT and data security improvements. However, the SWM FY 26 proposal will likely not support many of the IT improvements critical to addressing access issues, closing participation gaps, and tackling a rapidly evolving federal landscape.

6. **Funding to address EBT card skimming and SNAP theft**

- **No replacement funds for stolen SNAP.** Distressingly, Senate Ways and Means does not propose funds to replace stolen SNAP benefits; neither did the Governor or the House. Congress previously enacted partial replacement for benefits stolen by skimming or phishing starting October 1, 2022. Congress failed to extend the replacement provision for benefits stolen after December 20, 2024. Massachusetts has been a leader in ensuring families who are stolen from are made whole. Over the last two years the legislature provided $3 million for "wraparound" relief to cover federal gaps in replacement. As SNAP skimming continues, victims of theft are left scrambling to pay for groceries - skipping meals, incurring debt, using rent funds, or missing bill payments to buy food. Approximately $10 million is needed to replace stolen SNAP in FY 26 until DTA can implement chip/tap EBT cards, which will significantly reduce theft.

  More broadly, MLRI strongly supports the proposal in legislation filed by Sen. Kennedy and Rep. Kerans (S.147, H.254) and the Poverty Commission bills (SD.2872 (Sen. DiDomenico) and HD.4622 (Rep. Decker), filed May 1, 2025), to require replacement of stolen benefits to the extent it is not reimbursed by the federal government.

- **No chip/tap EBT funds to address systemic card security issues.** Neither Senate Ways and Means nor the House proposed funding to address the woeful absence of card security that makes it easy for thieves to target very low-income households' nutrition benefits.

  DTA benefits are accessed via Electronic Benefit Transfer (EBT) cards that rely on a magnetic stripe, which are much more vulnerable to skimming theft than industry standard chip/tap cards. As a result, since 2022, highly sophisticated criminal rings have stolen over $15 million SNAP benefits from over 30,000 low-income Massachusetts families.

  Improved technology is long overdue. The need for enhanced card security is made more urgent by Congress's failure to extend federal replacement of SNAP stolen after December 20, 2024.

  The Governor recently proposed $15.5 million in an FY 25 supplemental budget (H. 4003) for DTA to issue chip/tap EBT cards (half of that cost would be reimbursed by the federal government); MLRI strongly supports this proposal. Failure to implement chip/tap cards in FY 26 will leave 1 in 6 Massachusetts residents vulnerable to theft and continue allowing sophisticated criminal rings to steal from families. After the up front costs of chip implementation, DTA EBT costs year over year will be higher than they are now. Ongoing funding to support chip EBT is pivotal.

7. Healthy Incentives Program (HIP) (item 4400-1004) is funded at $25.4 million.

- The SWM proposal is $10.4 million higher than the $15 million in FY 25, and close to the fully-funded level in FY 24. In December of 2024, due to insufficient FY25 funding, DTA was forced to reduce HIP benefits to $20/month for all households – a 50% cut for one- and two-person households previously eligible for $40/month and a much deeper cut for larger households.

- HIP is a dollar-for-dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. HIP participation is especially high among low-income older adults (over 56%), helping them to access locally grown food and decrease social isolation. Over 100 farmers, CSAs and farm stands now participate in HIP.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 House Budget	FY 26 SWM
4000-0300	EOHHS and Medicaid Administration	$150,814,925	$155,940,882	$160,140,881	$158,090,882
4000-0430	MassHealth CommonHealth Plan	$197,558,111	$340,074,133	$340,074,133	$340,074,133
4000-0500	MassHealth Managed Care	$6,096,292,394	$6,013,317,263	$6,013,267,263	$6,013,317,263
4000-0601	MassHealth Senior Care	$4,558,789,945	$5,136,638,566	$5,117,238,567	$5,109,838,566
4000-0700	MassHealth Fee For Service Payments	$4,182,001,231	$4,408,079,088	$4,231,775,812	$4,247,184,088
4000-0880	MassHealth Family Assistance Plan	$371,307,845	$576,309,407	$576,309,407	$576,309,407
4000-0940	MassHealth ACA Expansion Populations	$2,422,764,172	$3,587,499,744	$3,587,449,744	$3,587,499,744
4000-0990	Children's Medical Security Program (CMSP)	$35,000,000	$42,600,000	$42,600,000	$42,600,000
1595-5819	Commonwealth Care Trust Fund	$35,000,000	$0	$0	$0

1. **The Senate Ways and Means (SWM) budget proposes $22.41 billion to maintain access to comprehensive coverage for the MassHealth program's over 2 million members.**

- SWM proposes $22.41 billion gross ($8.48 billion net) to support programmatic MassHealth spending in FY 2026 for over 2 million state residents. This amount is similar to the House bill but less than the $22.6 billion gross amount proposed by the Governor in House 1. Like the Governor and the House, the SWM bill projects FY 26 spending needs based on actual FY 25 spending rather than the significantly lower amount appropriated in the FY 25 GAA.

- The revenue and spending assumptions in the SWM budget, like those of House 1 and the House budget, do not attempt to predict federal funding changes in FY 26. However, in the SWM chairman's message, he acknowledges the "visibly growing threat that could impact nearly $16 billion in federal financial assistance, primarily related to MassHealth." In her testimony before the Joint Ways and Means Committee, Secretary Walsh made clear what is at risk in Massachusetts from proposals Congress is now debating to significantly reduce the federal investment in the Medicaid program, as well as to impose programmatic changes that will reduce coverage and access to care.

- MassHealth beneficiaries include 48% of the Commonwealth's children, 50% of people with disabilities, and over 70% of nursing home residents. Nationwide, Medicaid is a vital source of health insurance for over 70 million people, and there is no doubt that the cuts being contemplated at the federal level would take health care away from the people who need it most unless we all join forces to defend Medicaid.
- National efforts to defend Medicaid may have changed the debate in Washington DC: GOP leaders are publicly stepping away from plans to change the Federal Medical Assistance Program (FMAP) rate of 90 percent for the Medicaid expansion population and have softened on proposals for per capita caps on Medicaid benefits. However, work requirements are near certain to be included as part of the reconciliation bill, forcing MassHealth to adopt a costly policy that will result in many Massachusetts residents losing their health insurance without actually increasing employment. A report released May 7, 2025 by the Congressional Budget Office estimates how each of five potential Medicaid cuts will result in millions of people losing insurance coverage.

2. Assumptions based on MassHealth policy changes from House 1 are likely also embedded in SWM.

- House 1 assumed both spending and savings initiatives in its budget based on several MassHealth policy changes that would not require any new statutory authority. While SWM acknowledges the uncertainty in future federal Medicaid funding, its MassHealth line items are comparable to those in House 1. This suggests that the following MassHealth policy changes are also assumed in the SWM budget as they were in the House budget:

a) *Raising the asset limit:* Asset limits of $2,000 for single adults and $3,000 for couples have not been updated since 1989. MassHealth plans to raise these asset limits to $5,000 for individuals and $7,500 for couples, and to reflect inflation over time. Asset limits apply to people aged 65 and older applying for MassHealth, as well as to people applying for nursing home care or home and community-based waiver programs (HCBS).

b) *Increasing the excluded value of whole life insurance:* Under current rules, if a whole life insurance policy has a face value of more than $1,500, MassHealth counts the entire cash surrender value of the policy toward the $2,000 asset limit. MassHealth plans to change this so that the first $10,000 cash surrender value is *not* counted towards the $2,000 asset limit.

c) *Making it easier for people to qualify for HCBS and PACE based on income*: Home and Community Based Services (HCBS) waivers and the Program for All Inclusive Care for the Elderly (PACE) enable people who qualify for a nursing home level of care to get the care they need in their homes. Currently, people who have too much income to qualify for HCBS and PACE may qualify after incurring a high level of medical costs that would reduce their income to a very low threshold amount. MassHealth plans to raise that threshold significantly, making it easier for people to qualify. This is a long-sought-after reform and will help more people live independently.

d) *Making it harder to qualify for HCBS and PACE based on asse*ts: MassHealth plans to impose a five year "look back" period to HCBS and PACE applications, ensuring applicants have not transferred assets in the past five years for the purposes of qualifying. MassHealth also plans to start counting an applicant's spouse's assets under the spousal impoverishment rules when determining eligibility for PACE.

e) *Raising MassHealth premiums:* Most MassHealth members do not pay premiums, but children in the Family Assistance program and CommonHealth members with incomes over 150% of the poverty level do. MassHealth plans to increase premiums 10% across the board, averaging about $5 to $10 per month more for members. Premiums have remained the same for over 10 years, but under this new plan, they would be indexed to inflation.

3. SWM, like the House bill, rejects the Governor's budget proposal to cap PCA program growth and extends the mandate of a task force to make recommendations for the long-term sustainability of the program. (Section 73)

- Last year, the FY 25 GAA rejected the Governor's FY 25 budget's proposed cuts to the scope of the Personal Care Attendant (PCA) program by requiring that the PCA program maintain the same eligibility criteria and level of services for FY 25. This year, the Governor's H1 proposed capping the annual growth of the PCA program to the health care cost growth benchmark established under G.L. ch. 6D, § 9. Neither the House nor the SWM budget include the H1 provision for an annual cap on growth. However, while the House appropriation bill requires in four separate sections that the PCA program maintain the same eligibility criteria and level of services in FY 26 as were available in FY 25, SWM contains no such explicit provisions.

- MassHealth's PCA program is an important benefit that helps members with permanent or chronic disabilities live in the community and manage their own care by paying for personal care attendants to help with activities of daily living (ADLs) such as bathing, eating, toileting and transfers, and "Instrumental" ADLs such as shopping, housekeeping, laundry, and meal preparation.

- The FY 25 GAA also directed EOHHS to convene a working group of stakeholders in the PCA program to study the program and issue a report on the long-term sustainability and cost containment on or before March 7, 2025. The working group published its report on February 28, 2025, and presented three consensus recommendations. The report offered that with more time, the members of the workgroup could identify additional recommendations. In Section 73, SWM, like the House, authorizes the PCA workgroup to continue their work developing recommendations for the long-term sustainability of the PCA program and to specifically consider cost growth targets and how to achieve those targets. Additionally, both SWM and the House bill direct EHS to establish an implementation plan to ensure the long-term sustainability and cost containment of the PCA program. Advocates have confidence that the working group's efforts will result in reform recommendations that can protect the long-term sustainability of the

PCA program.

4. **SWM, like the House, goes along with the Governor's proposal to no longer allow older adults who are enrolled in MassHealth Standard but not in Medicare to enroll in the Senior Care Options managed care program, and assumes the Administration will proceed with other changes adversely affecting older adults on MassHealth Standard who do not enroll in Medicare. (Sections 32-34)**

- SWM follows House 1 and the House in amending G.L. c. 118E, § 9D, to limit eligibility for the Senior Care Options (SCO) program to MassHealth members who are also enrolled in Medicare, members known as dual eligibles. This change will take effect January 1, 2026.

- Currently, there are about 8,000 SCO members only enrolled in MassHealth Standard. Many seniors may also be eligible for Medicare coverage, and MassHealth and the SCO plans have already begun an outreach initiative to help them to enroll. However, under the amended statute, older adults enrolled in SCO managed care plans who do not enroll in Medicare will be disenrolled from their managed care plan whether they are eligible for Medicare or not. A separate MassHealth initiative planned for FY 26, one that does not require authorizing legislation, will terminate MassHealth Standard coverage for older adults who are eligible for Medicare at no added cost unless they enroll by a deadline. Those who are not eligible for Medicare at no added cost will be able to retain MassHealth Standard but will lose the option to enroll in a SCO plan.

- Both changes, the one requiring legislation that affects managed care enrollment and the one that does not require legislation and affects eligibility for MassHealth, are cost-saving initiatives outlined in January when House 1 was released.

- There are about 15,000 older adults enrolled in MassHealth Standard who are not enrolled in Medicare. To qualify for MassHealth Standard, most older adults must have income under the poverty level ($1,305 per month for one person in 2025) and no more than $2000 in countable assets. Most of those affected are non-citizens who are qualified for federally reimbursed Medicaid benefits but may or may not be eligible for Medicare. It is more complicated for people not eligible for Social Security Insurance-based benefits to enroll in Medicare. According to MassHealth, it requires an in-person visit to SSA. This is concerning because current changes in SSA policy and procedure, as well as staffing cuts, have exponentially increased the difficulty of reaching the agency and are the subject of pending litigation.

- No one can object to stepped up outreach and assistance to help MassHealth members eligible for Medicare at no added cost to enroll. However, the plan to terminate those who are not successful navigating the process is problematic at best, especially coming at a time of such upheaval at SSA.

5. **SWM does not continue the pilot expanding the upper income limit for ConnectorCare in 2026.**

- In FY 24, Massachusetts enacted a two-year pilot program to increase the upper income level for the ConnectorCare program from 300% to 500% of the federal poverty level ($45,181-$75,300 for one person in 2025). The House budget, like House 1, proposes to continue the pilot for the calendar year 2026. However, there is no such provision in the SWM budget. Currently, there are over 61,000 individuals enrolled in the Connector Care pilot making up 20% of total ConnectorCare enrollment.

- ConnectorCare is primarily funded by the federal government through federal premium tax credits supplemented by member premium contributions with added state funds drawn from the Commonwealth Care Trust fund. A key factor supporting the ConnectorCare pilot was a change in federal law that since 2021 has enhanced the amount of premium tax credits and lifted the 400% of poverty income ceiling for premium tax credits. Those federal law changes are scheduled to expire on December 31, 2025, unless they are extended by Congress.

6. SWM assumes continued investment in MassHealth's doula program.

- As MassHealth's doula program is now codified in state law, the SWM budget assumes continued investment in this program. MassHealth launched its doula program in December 2023, offering doula services to MassHealth members for the first time. Doulas are non-medical, trained professionals who provide physical, emotional, and informational support before, during, and after labor. Continued investment in doula services could result in significant health savings by reducing the number of c-sections and other interventions, lowering the likelihood a baby will end up in the NICU, and improving long-term health outcomes for mothers by helping to detect and address postpartum mood disorders.

- Legislation to support MassHealth's doula coverage program and expand access to doula services is pending this session. This bill, An Act relative to insurance coverage for doula services (H.1312/S.789) would (1) help build trust between the doula community and MassHealth by creating a doula advisory committee to meet regularly with MassHealth, (2) amend the patient bill of rights to give patients the right to have their doulas present during labor and delivery, and (3) require commercial and private insurance to cover doula services

7. SWM mirrors House 1's and HWM's increase in funding for the Children's Medical Security Plan but does not eliminate harmful caps on services.

- SWM mirrors House 1's and the House's proposed increase in spending for The Children's Medical Security Plan (CMSP) by $7.6 million, a 22% increase over the FY 25 GAA. The CMSP provides coverage for children under 19 in families with income over 300% of the federal poverty level and for children who are not eligible for MassHealth because of their immigration status. As of January 1, 2025, thanks to language contained in the FY 25 GAA, MassHealth eliminated copays for all CMSP members and eliminated premiums for CMSP members under 300% of the poverty level.

- SWM does not include language overriding the outdated dollar limitations of the program, including a $200 a year cap for prescription drugs and a 20-visit maximum on mental health visits. These and other benefit limitations prevent many low-income children from accessing the health services that they need to grow and thrive, simply because of their immigration status. Legislation is pending this session to change that. An Act to ensure equitable health coverage for children (H.1403/S.855) would provide comprehensive coverage to tens of thousands children and young adults whose coverage is limited solely because of their immigration status.

Homeless Services

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 House Budget	FY 26 SWM
7004-0101	Emergency Assistance	$326.1 M	$325.3 M	$275.6 M	$275.3 M
7004-0108	HomeBASE	$57.3 M	$57.3 M	$57.3 M	$57.3 M
7004-0099	DHCD Administration	$14.8 M	$22.2 M	$15.9 M	$15.6 M
7004-9316	Residential Assistance for Families in Transition (RAFT)	$197.4 M	$202.5 M	$207.5 M	$225.0 M
7004-0100	Operation of Homeless Programs	$17.6 M	$27.7 M	$18.4 M	$27.7 M
7004-0102	Homeless Individual Shelters	$110.8 M	$110.8 M	$115.8 M	$110.8 M
7004-0104	Home and Healthy for Good Program	$8.9 M	$8.4 M	$8.9 M	$8.9 M

1. **Emergency Assistance (7004-0101) would be funded at $275.3 million,** matching the House proposal, and a significant decrease from the Governor's H1 proposal.

   It is important to note that the EA system has received supplemental funding throughout the fiscal year, with total FY25 spending projected to be approximately $758 million. The Emergency Assistance (EA) program provides emergency shelter and services to certain families with children who are experiencing homelessness and have no safe place to stay. Over the past two years, the number of eligible families placed in and seeking EA shelter has increased sharply, and in August 2023 the Healey-Driscoll Administration declared a shelter capacity emergency. Since then the administration, acting under emergency authority, has implemented a number of restrictions on EA shelter, making it more difficult to access and limiting the length of stay for families in shelter. In December 2024 the administration announced a "dual track" family shelter system that would limit many EA-eligible families to 30-day stays at temporary respite centers, with no option of remaining on the waiting list for a traditional EA shelter placement. In March 2025, shelter stays for most families were further reduced to a 6-month limit. Advocates continue to fight to preserve the EA shelter system for children and families.

- Senate Ways and Means would restore the obligation that the Executive Office provide the Legislature with 90 days' advance notice before imposing any new eligibility or benefits restrictions. SWM also requires a report justifying any such changes. The House also included similar language. In prior years this language has been critical to giving the Legislature time to ensure that access to EA for children and families is not unduly restricted.

- Senate Ways and Means would require that the Executive Office submit extensive quarterly reports to the Legislature, which were removed in the H1 proposal. The House also included reporting requirements. These requirements were included in the FY25 budget, and advocates will work to ensure they continue to be included.

- Senate Ways and Means proposes language that would significantly curtail presumptive placements, instead giving the Executive Office discretion to grant case specific waivers. The House also included similar language.
- Senate Ways and Means would require that the Executive Office work with the Executive Office of Health and Human Services, the Interagency Council on Housing and Homelessness, and service providers "on strategies and best practices for the prevention of family homelessness". The House also included similar language.
- Senate Ways and Means would remove language proposed in H1 that would direct the Executive Office to conduct a study of EA shelter provider rates and establish a rate setting process. The House also included similar language.
- Senate Ways and Means would not remove the “dual track” shelter system, 30-day and 6-month time limits, or the cap on the number of families in shelter. Advocates will continue to fight for these harmful policies to be rolled back.

2. **HomeBASE (7004-0108) would be funded at $57.3 million,** matching both the Governor’s H1 and House proposals. Due to rates of inflation, this level-funding represents an effective cut to the program. HomeBASE was created in FY12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

- Senate Ways and Means would maintain the HomeBASE benefit limit of $30,000 over a 24-month period, with the possibility of an additional $15,000 for an additional year. The House included similar language. In December 2024, the administration indicated their intent to increase individual HomeBASE awards to $50,000 over a 24-month period, but have not done so.
- Senate Ways and Means would provide at least $2.5 million in funds for administering agencies to provide awards greater than $30,000 over the 24-month period for families the agency believes need additional funds to resolve a housing crisis.
- Senate Ways and Means would include the requirement that the Executive Office provide 90 days’ notice before promulgating or amending regulations or policies that would reduce benefits for families.
- Senate Ways and Means would restore language requiring extensive regular reporting to the legislature about HomeBASE, including the number and demographics of families served and how many families return to EA shelter.

3. **Executive Office Administrative line item (7004-0099) would be funded at $15.6 million**, matching the House proposal, and a decrease from the H1 proposal.

- Senate Ways and Means would restore the right for HomeBASE recipients to retain their homelessness priority for state subsidized housing, and require the Executive

Office promulgate regulations by September 2025. The House included similar language. This language has been included in budgets for the past several years, including the enacted FY23 budget. Advocates will work to ensure this language continues to be included and that regulations are timely promulgated.

- Senate Ways and Means would retain language requiring the Executive Office to maintain in-person intake locations in the 10 offices that were open as of January 2025. The House included similar language.

- Senate Ways and Means would restore language requiring the Executive Office to report to the legislature regarding wait times families are experiencing for direct communication with a staff member. The House included similar language.

4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at $225 million**, a significant increase over the Governor's H1 and House proposals.

   - Senate Ways and Means would maintain the award cap of $7,000 over a 12-month period.

   - Senate Ways and Means would restore language that allows for at least $3 million for recipients who fall under an expanded definition of "family" including unaccompanied youth, elders, persons with disabilities, and other households. The House included similar language. Advocates will push for expanded benefits for all household compositions.

   - Senate Ways and Means would not prohibit the Executive Office from requiring a Notice to Quit or utility shut off notice for households seeking assistance from RAFT. This poses a significant barrier for many in need of assistance, and increases the risk of eviction. Advocates will continue to push for a change to this policy to make RAFT available further upstream.

5. **Homelessness operations account (7004-0100) would be funded at $27.7 million**, matching the Governor's H1 proposal. The Governor's H1 and Senate Ways and Means proposal include funds for shelter staffing that were previously allocated in line item 7004-0109.

6. **Shelters and services for homeless individuals (7004-0102) would be funded at $110.8 million,** the Governor's H1 proposal and a decrease from the House proposal.

7. **Home and Healthy for Good program (7004-0104) would be funded at $8.9 million**, matching the FY25 appropriation and an increase over the Governor's H1 and House proposals. This program provides housing for chronically homeless individuals.

Housing

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 House Budget	FY 26 SWM
7004-9005	Public Housing Operating Subsidies	$113,000,000	$115,500,000	$115,600,000	$116,000,000
7004-9007	Public Housing Reform	$1,250,000	$2,097,622	$1,312,500	$1,250,000
7004-9024	Massachusetts Rental Voucher Program	$219,238,574	$253,311,840	$258,111,840	$253,411,840
7004-9030	Alternative Housing Voucher Program	$16,355,696	$19,461,214	$19,461,214	$19,461,214
7004-3045	Tenancy Preservation Program	$2,042,755	$0	$0	$0
0321-1800	Access to Counsel	$2,500,000	$2,500,000	$3,000,000	$0

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides operating funds for state public housing, was **funded by SW&M at $116 million.** This was a slight increase of $1 million over the amount funded by the Governor in H.1 and the House. To keep pace with costs and inflation and the need to maintain public housing, public housing residents, public housing authorities, and supporters are requesting $153 million in FY26. Too often residents are living with mold, rats, bedbugs, broken elevators, sewage problems, and more.

   The operating subsidy also continues to include language that requires the administration to make efforts to rehabilitate housing authority family units in need of repairs requiring $10,000 or less, although more funds are needed. With thousands of public housing units off line and waiting lists for public housing growing, it is critical for EOHLC to bring vacant units back-online to provide more permanent housing resources for very low-income people on the waiting list

2. **Public Housing Reform (item 7004-9007)** was funded by **SW&M at $1.25 million and** is a decrease from both the House FY26 and the Governor's H1 budgets. The line item provides funds to implement [chapter 235 of the Acts of 2014](#) which includes technical assistance training for resident commissioners as well as funding the implementation of

CHAMP (Common Housing Application for Massachusetts Programs.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024**) which provides long-term rental subsidies to approximately 10,000 low-income households for use in the private housing market would **be increased from $219 million in FY25 to $253 million**, matching the governor's proposal in being $5 million less than being proposed by the House. EOHLC says that this increase will allow for the creation of an additional 130 project based vouchers.

   - Language proposed in the SWM budget proposal is very similar to the final line item language passed in the FY25 Budget (minus an earmark).

   - Though not listed in the line item it is important to note that in response to a difficult state fiscal situation, EOHLC is pausing the issuance of mobile MRVP vouchers via CHAMP. According to EOHLC, they are taking this action to stay within the proposed appropriation while maintaining their commitment to current voucher holders and retaining their ability to support project-based vouchers for new housing development.

   - SWM language continues the policy that has allowed EOHLC to shift MRVP to a "payment standard model" similar to Section 8 giving more choice and flexibility to households. For details on the system see the MRVP Admin Plan at https://www.mass.gov/doc/mrvpadministrative-plan-2017/downloads

   - SWM also restores the reporting requirements that were present in the FY25 budget, but that were stripped from the Governor's proposal

   - SWM restores language regarding targeting of vouchers to mirror the FY25 language of "not less than 75%", rejecting language included in H1 that would have said "up to 75%," a change that we support.

   - SWM continues to give EOHLC discretion to set payment standards using the small area fair market rent (SAFMR**).** We welcome the inclusion of SAFMRs as they allow a wider range of choices for voucher holders. EOHLC has thankfully used this discretion to set payment standards at 110% of SAFMR, mirroring many Section 8 payment standards This will allow more people to make use of their vouchers, especially in higher rental markets.

4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. HW&M would **provide $19 million** in funding, an increase **in funding** from the previous year in the amount of $3 million.

5. **Tenancy Preservation Program (TPP) (item 7004-3045) was not included in SWM, the House budget or the Governor's H.1.** According to EOHLC, TPP will now be funded by MassHousing, which is the agency that runs the program. TPP is a homeless prevention program that helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges, TPP works with individuals and families who are facing eviction as a result of behaviors related to a

disability. Case managers locate services and develop and monitor case plans to maintain the tenancy and keep tenants in permanent housing to prevent tenants from becoming unhoused.

6. **Access to Counsel (item 0321-1800) was not included in SWM budget**. It was funded at $3 million by the House, a $500,000 increase over the Governor's H.1 budget. The House also removed the language that the program is a pilot, as did the Governor. Under this line item, funds are being distributed by the Massachusetts Legal Assistance Corporation to designated non-profit organizations to increase access to legal representation for low-income tenants and low-income owner occupants in eviction proceedings.

7. **Outside Sections**

   Outside Section 10 would create a Housing Production Dashboard managed by EOHLC that would be a public facing dashboard to provide information on how state housing funds are being spent and on what types of projects they are funding.

   Outside Sections 31 and 38 would eliminate the use of tenant paid broker's fees if the tenant is not the one to directly and solely contract with the broker. While we believe that some tighter language could ensure that no loopholes exist in the language, this is much stronger language than was proposed in the HWM budget.

Legal Services

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 House Budget	FY 26 SWM
0321-1600	MLAC	51.00 M	51.00 M	51.00 M	51.00 M

For the **Massachusetts Legal Assistance Corporation (item 0321-1600)**, which supports grants for civil legal aid programs for low-income residents of Massachusetts, SWM is recommending an appropriation of $51 million, the same amount as the FY 25 appropriation and the same amount as both the Governor's budget and the House budget for this fiscal year. MLAC is requesting an appropriation of $54 million in order to help meet the growing statewide demand for civil legal services.