

House Ways and Means FY 2022 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

April 15, 2021

Yesterday the House Committee on Ways and Means released its budget proposal for fiscal year 2022 (FY 22), which is referred to as House 4000. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

**Cash Assistance, SNAP, Related Items Administered by DTA and Other
Nutrition Items** (pages 2-6)

**Child Welfare: Department of Children and Families and
Related Items** (pages 7-11)

Health Issues in MassHealth and ConnectorCare (pages 12-15)

Homeless Services (pages 16-18)

Housing (pages 19-20)

Legal Services (page 21)

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

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 HWM
4403-2000	TAFDC	\$240,967,007	\$254,588,139	\$276,588,139
4401-1000	Employment Services	\$16,498,554	\$14,103,103	\$15,550,103
4400-1979	Pathways to Self Sufficiency	\$1,000,000	\$1,000,000	\$1,000,000
4408-1000	EAEDC	\$89,983,226	\$83,444,967	\$91,444,967
4405-2000	State supplement to SSI	\$210,393,938	\$202,480,784	\$202,480,784
4403-2007	Supplemental Nutrition Program	\$300,000	\$300,000	\$300,000
4400-1020	Secure Jobs Connect	\$3,000,000	\$2,000,000	\$2,000,000
4403-2008	Transportation Benefits for SNAP Work Program Participants	\$500,000	\$250,000	\$500,000
4403-2119	Teen Structured Settings	\$9,438,466	\$9,675,624	\$9,675,624
4400-1100	Caseworkers Reserve	\$80,402,615	\$83,205,763	\$83,205,764
4400-1000	DTA Administration and Operation	\$67,775,512	\$67,172,971	\$67,172,970
4400-1025	Domestic Violence	\$1,757,895	\$1,790,076	\$1,790,076
4401-1001	Food Stamp Participation Rate Programs	\$3,923,548	\$3,573,032	\$3,873,031
4400-1004	Healthy Incentives Program (HIP)	\$13,000,000	\$5,000,000	\$13,000,000
2511-0105	Mass Emergency Food Assistance Program (MEFAP)	\$30,000,000	\$20,000,000	\$30,000,000
4401-1003	Economic Mobility Grants	\$0	\$0	\$2,500,000

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

- House Ways and Means proposes to keep the recent 10% increase in TAFDC, cash assistance benefits for families, item 4403-2000, but does not propose a further increase.** The Legislature increased the maximum benefits for TAFDC by 10% effective January 2021, the first increase for TAFDC since 2000. With the increase, the maximum TAFDC grant for a family of three with no countable income is \$652 a month, far below the poverty level of \$1,830 a month and below the Deep Poverty level – half of the federal poverty level – of \$915 a month. The Governor would roll back the maximum benefit to \$593 a month. Families cannot meet their basic needs with grants below Deep Poverty.

- **House Ways and Means proposes \$276.6 million for TAFDC (item 4403-2000) for FY 22.** This is \$22 million more than the House 1 and \$35.6 million more than the FY 21 budget. Both The Governor and HWM appear to assume the caseload will shoot up when pandemic unemployment assistance (PUA) ends and families who lose PUA apply for TAFDC. It is reasonable to expect some caseload increase in FY 22, but Governor's and HWM's projections appear to assume a caseload for FY 22 that would be higher than the caseload has been for the last five years. Moreover, PUA will continue for at least the first two months of FY 22, so the caseload will likely not even start going up until after that.
- **House Ways and Means would continue the annual TAFDC children's clothing allowance at \$350 per year for each child who is eligible for TAFDC in September, item 4403-2000.** HWM would also retain the longstanding provision that increases the standard of need in September by \$350 per child when the clothing allowance is paid, thereby allowing a small number of very low income working families to qualify. As in past years, the Governor proposed to eliminate the September increase in the standard of need. The Legislature has rejected the Governor's proposed elimination of this provision year after year.
- **The TAFDC line item (4403-2000) includes language adopted in FY 20 and included in FY 21 and FY 22 removing the reduction in benefits for families in shelter.** The Governor did not include this language.
- **The line item for TAFDC (4403-2000) also includes language barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase.** The Legislature adopted this language to bar the Administration from counting a parent's SSI benefits against the TAFDC grant, which would have caused many children to lose their TAFDC. The Governor did not include this language but unlike in past years, the Governor did not propose to count parents' SSI benefits.
- **The line item (item 4403-2000) also includes language requiring the Governor to give 75 days advance notice to the Legislature before cutting benefits or making changes in eligibility.** The Governor did not include this provision. The advance notice requirement prevented the Governor from eliminating the clothing allowance in September 2010. In FY 2010, 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 HWM line item also includes the current requirement of 75 days' advance notice before DTA proposes any changes to the disability standard; includes a requirement that DTA tell recipients about their eligibility for child care; and includes a provision allowing DTA to make eligibility or benefit changes that lead to an increase in eligibility or benefits. The Governor eliminated these provisions, too.
- **Transitional Support Services earmarked at not less than \$1 million (item 4403-2000).** Currently, these families are eligible for four months of transitional benefits after TAFDC ends, starting at \$280 a month and reducing month by month to \$70 in

the fourth month. The actual cost is about \$1.6 million.

- **The line item specifies just under \$800,000 for recipients' transportation reimbursements.** TAFDC provides \$80 a month to cover some of the costs of getting to and from work or a DTA-approved education, training, job search or employment support activity and the costs of taking children to and from child care so the parent can participate in the activity. The estimated cost of these payments for FY 22 is \$3.2 million, which will be paid from the line item even though the amount specified is less than that.
- **The Employment Services Program (ESP, item 4401-1000) would be cut from \$16.5 million for FY 21 to \$15.6 million and the Pathways to Self Sufficiency line item (4400-1979) would be level-funded at \$1 million.** The Governor proposed only \$14.1 for ESP. If the pandemic is under control in FY 22, we can expect there will be a greater need for employment services. HWM requires funding in unspecified amounts for the Young Parents Program and education and training for TAFDC parents, plus earmarks for learning disability assessments; the DTA Works Program (paid internships at state agencies); and job search services for parents with limited English proficiency. The Governor did not include these requirements. HWM also includes a current requirement that the Administration report on program outcomes. The Governor did not include this requirement.
- **House Ways and Means proposes a new line item (4401-1003) of \$2.5 million for competitive grants to provide services to young parents ages 14 to 24 to improve their economic mobility.** The participants would not have to be TAFDC recipients.
- **House Ways and Means proposes to keep the recent 10% increase for EAEDC, cash assistance benefits for persons with disabilities and elders (item 4408-1000).** The Legislature increased EAEDC benefits by 10% starting in January 2021, the first increase for EAEDC since 1988. A single elder or person with disabilities now qualifies for a maximum benefit of \$334 a month. The Governor would cut this woefully inadequate benefit back to the 1988 level of \$303 a month.
- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$91.4 million, \$8 million more than the Governor.** The difference is the approximate cost of the 10% grant increase. 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. HWM proposes to include language requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. The Governor omitted this provision. Both HWM and House 1 specify that homeless persons shall receive the same basic grant as recipients who incur shelter costs.
- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$202.5 million,** exactly the same at the Governor's proposal. This is about \$5.1 million less than the Governor's projected spending for FY 21. Some of the reduction is due to anticipated administrative savings.

- **The Supplemental Nutrition Program (item 4403-2007) would be funded at only \$300,000**, the same as House 1. This program provides a small state food SNAP supplement to thousands of low income working families who also receive federal SNAP benefits (formerly called Food Stamps). This amount is not enough to provide a meaningful benefit.
 - **Secure Jobs Connect (item 4400-1020)** would be funded at \$2 million, the same as House 1. This is a cut of \$1 million from the FY 21 appropriation. 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 Work Program participants (item 4403-2008)** would be level-funded at \$500,000, double the House 1 proposal. (In FY 20, this account was funded at \$1.5 million). This account provides transportation assistance to SNAP beneficiaries enrolled in certain education and training programs. In the past, these funds were largely targeted at “Able Bodied Adults without Dependents” (ABAWDs), who were subject to a work requirement and needed transportation to participate in a work activity and keep their benefits. ABAWD work requirements have been suspended during the federal pandemic public health emergency declaration, which the federal administration has indicated is likely to last through 2021 and potentially into early 2022. These resources are especially important in light of DTA’s expansion of available programs and the likelihood that in-person training will resume before or during FY 22. However, to date these funds only support enrolled participants; they are not yet available to help potential participants get to an education and training program to enroll.
 - **House Ways and Means proposes \$3.9 million for programs and projects to increase participation in SNAP (item 4400-1001).** The Governor proposed \$3.6 million. FY 21 funding is slightly more than \$3.9 million. The line item provides \$600,000 for Project Bread’s Food Source Hotline and other DTA projects to increase access to SNAP benefits. SNAP outreach activities are 50% federally reimbursable.
2. **Teen Living Programs (item 4403-2119) would be funded at \$9.7 million**, the same as the Governor and very slightly more than the FY 21 appropriation.
3. **DTA Administration**
- **The DTA worker account (item 4400-1100) would be funded at \$83.2 million, the same as House 1.** This is nearly \$3 million more than the FY 21 appropriation but less than the Governor was projecting to spend in FY 21. The pandemic has caused the SNAP caseload in Massachusetts to jump to over 550,000 households. This is an unprecedented 26% increase between the start of the pandemic in March 2020 and March 2021. Despite this dramatic increase, over 700,000 individuals receiving MassHealth are likely eligible for but not receiving SNAP (the “SNAP gap”). Application volume continues to be higher than pre-pandemic levels. DTA has regularly faced processing backlogs and has had to authorize overtime or move

staff from other work to handle SNAP cases. DTA faces the loss of federal SNAP administrative flexibilities in 2021 that have helped with workload management. In order to address the “SNAP gap” and maintain processing and customer service with a significantly increased caseload, DTA needs additional funding for case managers.

- **DTA central administration (item 4400-1000) would be funded at \$67.2 million, the same as House 1**, about \$3 million less than FY 21 projected spending. HWM’s proposed line item includes the FY 21 requirement that DTA submit a monthly report on program savings and revenues, caseloads, and collections. House 1 omitted this requirement, though some of this information is now posted by DTA. The American Rescue Plan allocates approximately \$26 million over three years to Massachusetts for additional SNAP administrative funding. MLRI recommends that this funding be used to support the growing SNAP caseload and permanently close the “SNAP gap” by investing in both IT and systems improvements as well as necessary case managers and other staff.
- **DTA domestic violence workers (item 4400-1025)** would be funded at \$1.8 million, slightly more than FY 21, likely reflecting increased wage and benefit costs.

4. Additional Nutrition Items

- **The Healthy Incentives Program (HIP) (item 4400-1004) would be funded at \$13 million for FY 22.** HWM rejected the Governor’s proposed reduction to \$5 million. HIP, administered by DTA, 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, helping them to access locally grown food and decrease social isolation. The appropriation for HIP is not enough for full year funding.
- **The Massachusetts Emergency Food Program (MEFAP) would be funded at \$30 million for FY 22 (item 2511-0105),** the same as FY 21. HWM rejected the Governor’s proposed reduction to \$20 million. MEFAP – administered by the Mass Department of Agriculture (MDAR) and the four Massachusetts food banks – provides food commodities to over 660 local food pantries, schools and community feeding sites for distribution. MEFAP received extra federal COVID “Safety Net” funding in FY 21 because of the pandemic; the HWM proposal recognizes the importance of continuing this funding as demand remains high for food banks and food pantries.

Child Welfare:

Department of Children and Families and Related Items

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 HWM
	Department of Children and Families	\$1.084b	\$1.088b	\$1.090b
4800-0015	Clinical Support Services and Operation	\$114.6m	\$114.1m	\$114.1m
4800-0030	Local/Regional Management of Services (Lead Agencies)	\$8m	\$8m	\$6m
4800-0038	Services for Children and Families (Family Foster Care)	\$307m	\$299.6m	\$299.6m
4800-0040	Family Support and Stabilization Services	67.1m	67.1m	\$70.1m
4800-0041	Congregate Care Services	293.4m	307.8m	\$307.8m
4800-0058	Foster Care Recruitment Campaign	\$750,000	\$750,000	\$750,000
4800-0091	Child Welfare Training Institute	\$2.8m	\$2.8m	\$2.8m
4800-0200	Family Resource Centers	\$17.4m	\$16m	\$16m
4800-1100	DCF Social Workers	\$265.3m	\$264m	\$265.3m

1. **The Department of Children and Families would be funded at \$1.09 billion.**
 - This is an increase of \$5.9 million over the FY 21 allocation
2. **Overall HWM would substantially increase funding for congregate care for foster youth (item 4800-0041), decrease funding for family foster care (item 4800-0038), and provide only a modest increase in urgently needed funding for services to keep children with their families (item 4800-0040).**
 - Best child welfare practice would require the converse funding prioritization. Highest priority would be given to provide services to keep children safely at home and out of foster care. If children must be removed, all possible services would be provided to strengthen their families so they could return safely at home. Children who must be removed from their parents would be placed with families, with their own extended family whenever possible, and placed in congregate care settings only when their treatment needs required institutional care.
 - Instead, HWM would increase spending on congregate care (item 4800-0041) by \$14.3 million to \$307.8 million. **This is the largest budget ever for DCF congregate care and the first time in recent history that the budget for congregate care has exceeded the budget for family foster care.** This is the same increase proposed by the Governor who stated that \$20 million of the

proposed congregate care funding was to support the new congregate care network. It is unclear how many congregate care placements in this new network will meet the new baseline quality standards of the federal Family First Prevention Services Act (*see item 3 below*).

- At the same time, spending on family foster care (item 4800-0038) would be cut by \$7.4 million to \$299.6 million. The Governor, who proposed the same decrease, noted this would include rate increases for foster parents. This increase is needed, but also suggests there will be fewer family foster homes.
- Most significantly, although **HWM proposes a modest increase in family stabilization and support services (item 4800-0040)**, its budget would allocate only 10% of DCF's total services budget, or \$70.1 million, to these essential services to keep children safely at home and to reunify children in foster care safely with their families.
- The combined result of these spending recommendations would be, unfortunately, to continue the trend the Commonwealth has experienced in recent years. **More and more children, particularly Black and Brown children, will be separated from their parents, too many will be placed in institutional settings where they do not belong, experience sub-standard care, age out of foster care without permanent families, and experience negative lifelong outcomes. This comes at tremendous short and long-term financial costs to the Commonwealth. We can do better for our kids.**

3. Under the HWM budget, as under the Governor's budget, it appears that the Commonwealth would bear more of the financial burden of the proposed expenditures on congregate care for DCF-involved youth than in prior years. This is because during 2022 Massachusetts will lose eligibility for federal reimbursements for those congregate care placements that don't meet new federal baseline quality care standards.

- As of October 1, 2021, the federal Family First Prevention Services Act will condition the ongoing receipt of federal funding to subsidize the costs of congregate care on meeting new baseline quality standards. Rather than try to meet those standards, which are intended to protect children, the Department of Children and Families has opted to continue in many instances to contract with providers who do not meet the new baseline quality standards. **This will render Massachusetts ineligible for federal reimbursement of approximately 24% of the costs of congregate care placements that opt not to comply with the Family First Act's baseline quality requirements.**
- The Massachusetts Law Reform Institute calculates, based on the best publicly available data, that as of October 1, 2021 Massachusetts stands to lose up to \$86.5 million a year in federal funding, which would increase over time without mitigation, as a result of its decision not to meet the baseline quality standards, for many providers, that the federal Family First Act has established as a condition of ongoing federal congregate care funding. (*Further information and data available*

upon request). **It is unclear whether MA will be able to access other federal funds to replace this lost revenue or will have to rely on increased state funding to fill the gap.**

- 4. Massachusetts could also receive uncapped federal funding for services to keep children safely at home -- thereby improving outcomes for children and decreasing the costs of foster care -- if the Commonwealth opted to accept newly available federal reimbursements for the costs of prevention services.**
 - The Federal Family First Prevention Services Act has made federal reimbursements available to states at the rate of 50% of costs for evidence-based services to keep children safely at home and out of foster care. Although DCF greatly needs these services to meet the needs of families in its caseload, we are unaware of steps it has taken to become eligible to draw down these federal funds. Doing so would bring federal funding into Massachusetts that would subsidize the family stabilization and support line item (4800-0040), enable DCF to better meet its mission of keeping kids safe by strengthening their families whenever possible, and reduce foster care costs.
- 5. Family Resource Centers (item 4800-0200) would be cut by \$1.4 million, reducing funding to \$16 million.**
 - These community-based centers provide one of the few means by which families in crisis can voluntarily receive services to prevent abuse and neglect before it happens. If robustly supported, Family Resource Centers could assist DCF in delivering primary prevention services and reduce the DCF caseload.
- 6. Funding for the Commission on the Status of Grandparents raising grandchildren (item 0950-0030) would be increased by \$50,000 over the current allocation and the Governor's proposal.**
 - This commission could potentially help DCF achieve its goal of increasing kinship foster care placements for children who must be removed from their parents, and kinship guardianships for children who cannot return home to their parents. It could also ensure that DCF provides kinship foster parents the supports they need to best care for the children they have stepped up to care for. DCF's administrative line item (4800-0015) requires that DCF shall "provide services and support to partner with" kinship foster parents "in meeting the child's needs." The Commonwealth has also received a federal grant of \$311,424 (4899-0017) to support kinship navigator services which can help locate kinship placements for kids and supports for kin caregivers.
- 7. DCF social worker salaries (item 4800-1100) would be level-funded at \$265.3 million, and their modest training budget (item 4800-0091) would be increased by \$13,000**
 - While social workers have been less available to families during the COVID-19 pandemic, they have been greatly needed to connect families to desperately needed

services, to ensure that children can continue to visit with their parents during the pandemic, in person whenever possible, to ensure that children maintain their progress towards reunification, and to ensure children are safe in their homes, their foster homes, and their congregate care placements.

8. HWM, like the Governor, would slightly decrease funding for DCF's administrative account (item 4800-0015) by \$478,000 to \$114.1 million and would maintain reporting requirements that DCF has not complied with

- HWM maintains longstanding reporting requirements which the Legislature requires to fulfill its oversight responsibilities. However, DCF has not complied with many of these requirements for many years. These include reports on residential care, high-risk children in DCF's caseload, services, and on the department's efforts to reduce overrepresentation of children of color in its caseload.

9. Funding for non-secure placements for juvenile offenders (4800-0151) would be eliminated in HWM as it was in the Governor's budget.

- This reflects fewer referrals of runaway youth to DCF for the non-secure alternative lockup program. Different program models are being considered to serve these youth.

10. The domestic violence line item (item 4513-1130), formerly in DCF's budget and now a Department of Public Health account, would be level funded at \$50.3 million. This line item was increased by \$12 million in the FY 21 budget.

- Domestic violence services in this line item includes beds for domestic violence shelter, supervised visitation, and services and advocacy for victims of domestic violence. These are preventive services that can help prevent abuse and neglect. The greatly needed FY 21 increase reflects a recognition that domestic violence and sexual assault survivors needed far greater access than they have had to local community-based programs, to a range of specialized and culturally specific services and advocacy including housing advocacy, and to more shelter beds. A lack of shelter beds in the domestic violence shelter system has forced families fleeing domestic violence to seek shelter in the Emergency Assistance shelter system.

11. The Bureau of Substance Abuse Services (BSAS) (item 4512-0200) would be cut by \$9 million, reducing this account to \$160 million.

- The Governor who proposed a larger cut expects a portion of FY 21 funding to be available to support this program in FY 22. The Governor also noted a \$ \$31.9 million increase over FY 20 throughout his budget in funding to fight opioid misuse. Outside Section 7 would also authorize significant expenditures on substance use treatment without further appropriation.

- BSAS funds treatment for parents with substance use disorders. This can prevent the occurrence or recurrence of child neglect and enable parents to keep children safe at home.
12. **HWM would reduce by \$369,000 funding for the Committee for Public Counsel Services' account for attorneys who represent indigent parents and children in cases in which DCF is seeking to separate children from their parents (item 0321-1510).**
- This is \$3.2 million less than the Governor proposed. This includes funding for attorneys in both child welfare and criminal proceedings.
13. **Funding for the Office of the Child Advocate (item 0930-0100), would be slightly increased (by \$2,443) to \$2.9 million.**
- HWM allocates \$100,000 of this funding to ensure cross-agency coordination of early childhood wellness efforts, and \$300,000 to a pilot program to provide housing support services to transition age youth aging out of DCF foster care or DYS custody.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 HWM
4000-0500	MassHealth Managed Care	\$5,943,277,046	\$5,595,703,670	\$6,046,311,783
4000-0601	MassHealth Senior Care	\$3,894,496,052	\$3,672,225,668	\$3,699,225,668
4000-0700	MassHealth Fee For Service Payments	\$3,372,875,665	\$2,918,528,635	\$3,135,753,542
4000-0880	MassHealth Family Assistance Plan	\$391,145,078	\$448,183,863	\$448,183,863
4000-0940	MassHealth ACA Expansion Populations	\$2,915,195,837	\$2,970,596,600	\$3,675,946,600
4000-0990	Children's Medical Security Program (CMSP)	\$15,435,000	\$16,206,750	\$16,206,750
1595-5819	Commonwealth Care Trust Fund	\$84,068,536	\$94,068,536	\$35,000,000

1. MassHealth funding reflects benefits of continuous coverage protections during the public health emergency

- HWM recommends \$18.969 billion gross and \$6.884 billion net funding for MassHealth. This is a \$1.4 billion gross increase from the House 1 recommendation, but a \$26.218 million decrease in net state dollars. The difference between HWM's and the Governor's budgets is because the House 1 budget was developed assuming that the continuous coverage protections and enhanced federal funding in the Families First Coronavirus Response Act (FFCRA) enacted on March 18, 2020, which protect MassHealth members from losing coverage, would no longer be in place as of July 1, 2021, the start of the 2022 fiscal year. However, on January 22, 2021, the Biden Administration sent a [letter to Governors](#) indicating that these protections will likely be extended until the end of calendar year 2021. Taking into account six months of continuous coverage protections, the HWM budget reflects both (1) an increase in gross expenditures due to increased MassHealth enrollment, and (2) a decrease in net expenditures due to increased federal Medicaid revenue.
- The FFCRA provided an increase of 6.2% in the federal matching rate for states that agreed to maintain continuous coverage for state residents enrolled in Medicaid from March 18, 2020 until the end of the month in which the declaration of the public health emergency (PHE) expires. This protects Medicaid beneficiaries from losing coverage during the pandemic due to changes in income or failure to return forms. The enhanced revenue continues until the end of the quarter in which the PHE expires, which we now know will not be before the end of 2021.

The Biden Administration's assurance that the public health emergency, and therefore FFCRA's continuous coverage protections and enhanced federal Medicaid funding, would continue to the end of 2021 provided welcome predictability at a time when state budgets and state residents face many uncertainties as a result of the pandemic. The Biden Administration has also told state Medicaid programs that they will have six months after the end of the public health emergency to redetermine eligibility for the population protected during the PHE. It will be important that this transition be undertaken carefully to avoid families who are still eligible inadvertently losing coverage.

In March 2021, enrollment in MassHealth exceeded 2 million people for the first time. This compared to enrollment of 1.75 million in December 2019. This historically high enrollment reflects the FFCRA's continuous coverage protection and MassHealth's commitment to ensuring access to critical health benefits during a deadly global pandemic and economic downturn.

2. HWM reduces the amount of the general fund transfer to the Health Connector with the federal government covering more of the costs in FY 2022 (1595-5819)

- Fewer state dollars will be required for the Commonwealth Care Trust Fund (CCTF) in 2021 and 2022 because thanks to the American Rescue Plan Act (ARPA), enacted on March 11, 2021, the federal government is increasing its share of the costs of affordable insurance obtained through the Health Connector.
- Federally-funded premium tax credits reduce the costs of insurance purchased through Marketplaces like the Health Connector, but the Affordable Care Act did not go far enough to make coverage truly affordable. In order to make the costs of private coverage more affordable for individuals with income of 300% FPL or less, state law enabled the Health Connector to draw on the CCTF to provide state subsidies in addition to the federally-funded advance premium tax credits for its ConnectorCare program. For calendar years 2021 and 2022 ARPA will provide more generous premium tax credits.
- HWM reduces the amount of the general fund transfer to the CCTF from the \$94 million proposed in House 1 to \$35 million. This is \$49 million less than the fund transfer authorized in FY 2021 and \$59 million less than the amount proposed in House 1 for FY 22.
- In 2021 and 2022, the ARPA recalculates the amount the federal government pays directly to health plans in the form of advance premium tax credits. This will mean even lower premium contributions for most of the 194,000 people currently enrolled in the ConnectorCare program, as well as 18,000 people with income over 300% FPL but not over 400% FPL who are now receiving premium tax credits. In addition, the ARPA for the first time extends premium tax credits to those over 400% FPL. In 2021 only, it also provides that individuals who received just one week of unemployment compensation will be deemed financially eligible for coverage with no premium contribution.

- Open enrollment for 2021 coverage has been extended to July 23, 2021, and the Health Connector has posted more information about newly expanded options for affordable insurance on its website here: <https://www.mahealthconnector.org/american-rescue-plan>.

3. Annualization of full adult dental restoration

- Like House 1, the HWM budget annualizes funding to restore the full scope of adult dental services in MassHealth. Since significant cuts were made to MassHealth's adult dental services in 2010, advocates and legislators have been working to restore the full scope of dental services which was finally accomplished on January 1, 2021.

4. Health Connector outreach to the uninsured (Section 15)

- This outside section is identical to outside section 65 of House 1. It authorizes DOR, with a taxpayer's consent, to share information with the Health Connector for the purpose of conducting targeted outreach to uninsured residents who check a box on their tax form indicating they would like to be contacted for help enrolling in affordable coverage. Once contacted, the uninsured resident would be provided with an assessment of their eligibility for coverage through the Health Connector.
- Though Massachusetts remains a national leader in health insurance gains, having achieved near universal coverage, thousands of individuals remain persistently uninsured. The [Health Connector's analysis of annual tax data](#) shows that nearly three-quarters of the full-year uninsured fall under 400 percent FPL and may be eligible for subsidized health coverage. Over half of the uninsured have income under 150 percent FPL and may be eligible for coverage with no monthly premium. This section would help these individuals obtain affordable coverage, and will be particularly timely if it is in place in time for more affordable 2022 coverage.

5. Nursing Home Licensure Commission (Section 46)

- The HWM budget includes an outside section establishing a special commission to examine the Department of Public Health's nursing home licensure process and requirements. This 13 member commission, comprised of public officials, community advocates, and the Governor's appointees, would be charged with reviewing Massachusetts' nursing home licensure requirements and making recommendations to strengthen and improve them. The commission would hold at least 3 public meetings and solicit stakeholders' feedback, and submit a report and recommendations by October 2, 2023 to the legislature. The COVID-19 pandemic tragically highlighted the need for increased protections for nursing home residents.

6. HWM does not include the Governor's proposal for more rebate authority

- The HWM budget does not include the outside section from House 1 (section 42) authorizing MassHealth to directly negotiate rebate agreements for drugs not subject to the Medicaid Drug Rebate Program and for certain non-drug products such as durable medical equipment. The administration included this same outside section in its House 1 budgets (both the original budget released in January and the revised budget released in October) for FY21, but it did not make it into the FY21 GAA. With its exclusion from the HWM budget, it looks as though this outside section may not make it into the FY22 GAA either.

7. Appropriations of added federal revenue for expanding home and community-based services to be addressed in a later bill.

- The revenue estimates on which the HWM budget is based did not include additional federal revenue expected from the ARPA enacted last month. According to the Speaker, the House will likely prepare a separate spending bill to address billions in new federal revenue coming to Massachusetts pursuant to ARPA. Included in that sum, is a 10% increase in the federal matching rate for a broadly defined set of home and community based MassHealth services, estimated to be in the ballpark of \$500 million for the period from April 1, 2021 to March 31, 2022.
- MassHealth is awaiting further federal guidance on this provision expected next month. This increased funding provides an opportunity for Massachusetts to expand and improve MassHealth home-based services and support to enable more older adults and people with disabilities to live independently and avoid institutional care. More information about this option is available from EOHHS [here](#) and from the Kaiser Family Foundation [here](#).

Homeless Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 HWM
7004-0101	Emergency Assistance	\$181m	\$195.9m	\$195.9m
7004-0108	HomeBASE	\$27.2m	\$26m	\$26m
7004-0099	DHCD Administration	\$8.6m	\$7.6m	\$7.6m
7004-0100	Operation of Homeless Programs	\$6.1m	\$6.2m	\$6.2m
7004-0102	Homeless Individual Shelters	\$56.4m	\$53.4m	\$56.4m
7004-0104	Home and Healthy for Good Program	\$3.9m	\$2.9m	\$3.9m
7004-9316	Residential Assistance for Families in Transition (RAFT)	\$50m*	\$18.9m†	\$26.7m±

* The Governor approved the Legislature's full appropriation of \$50 million; combined with \$4.7 million from the Housing Preservation and Stabilization Trust Fund (HPSTF), \$45 million from the Eviction Diversion Initiative, \$18 million from federal coronavirus relief funds, and \$15 million carryover from the FY20 supplemental budget, total funding for FY21 is \$132.7 million.

† This is the total amount; \$16.3 million is from direct appropriation, plus \$2.6 million from retained revenues.

± This is the total amount; \$22 million is from direct appropriation, plus \$4.7 from the Housing Preservation and Stabilization Trust Fund (HPSTF).

- Emergency Assistance (7004-0101) would be funded at \$195.9 million**, matching the Governor's House 1 proposal. The Emergency Assistance (EA) program provides emergency shelter to certain families with children who are experiencing homelessness and have no safe place to stay.

- HWM retains language intended to protect many families and children from first having to prove they slept in a place not meant for human habitation before they can be eligible for shelter. Advocates continue to push for clarification about how this new language is being implemented so that children must not first sleep in cars, emergency rooms, or other inappropriate places before they can access shelter.
- HWM continues to allow families to maintain eligibility for EA until they exceed 200% of the federal poverty guideline for 90 consecutive days.
- HWM maintains the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing any new eligibility or benefits restrictions. In previous 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.
- HWM maintains requirements that DHCD report quarterly to the Legislature about what is happening to families, including those denied shelter. These requirements

were included in the FY 21 budget, and advocates will work to ensure they continue to be included.

- HWM removes proposed H1 language directing DHCD to attempt to convert scattered site units to congregate units and to reduce the number of scattered site units.

2. HomeBASE (7004-0108) would be funded at \$26 million, matching the Governor's House 1 proposal. HomeBASE was created in FY 12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

- HWM does not include language that would provide additional benefits to families who time out of HomeBASE before securing permanent housing during the ongoing state of emergency.
- HWM eliminates the maximum assistance cap of \$10,000 from HomeBASE and RAFT in a 12-month period; the Governor's H1 proposal included the cap but suspended its application until the end of the state of emergency.
- HWM maintains the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing new eligibility restrictions or benefits reductions.
- HWM maintains DHCD's obligation to provide timely reports to the Legislature. This language was included in the enacted FY 21 budget but removed in the Governor's H1 proposal, and advocates will work to ensure it continues to be included.
- HWM would continue to allow DHCD to expend funds on HomeBASE for eligible families in domestic violence and residential treatment programs (4512-0200 and 4513-1130), as originally proposed in an FY 17 pilot program. Only families in these shelters who meet all EA eligibility requirements could receive assistance.

3. DHCD Administrative line item (7004-0099) would be funded at approximately \$7.6 million, matching the Governor's House 1 proposal.

- HWM maintains the requirement that DHCD promulgate and enforce regulations clarifying that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing, which H1 proposed to eliminate. This language has been included in budgets for the past several years, and advocates will work to ensure that it continues to be included.
- HWM maintains language requiring DHCD to maintain in-person intake locations in the 10 offices that were open as of January 2020, which H1 proposed to eliminate. Advocates will work to restore this language and monitor to ensure that offices remain available for in-person access once offices are able to re-open.
- HWM maintains language requiring DHCD to ensure that in-person offices be sufficiently staffed, enables DHCD to operate additional offices close to families experiencing homelessness, and requires DHCD to submit a report to the legislature regarding plans for maintaining in-person offices and any changes to intakes, such as

increased use of telephonic intakes, which H1 proposed to eliminate. Advocates continue to monitor this issue and restore this language.

4. **DHCD homelessness operations account (7004-0100) would be funded at \$6.2 million**, matching the Governor's H1 proposal.
5. **Shelters and services for homeless individuals (7004-0102) would be funded at \$56.4 million**, matching the FY21 allocation and an increase over the Governor's H1 proposal.
6. **Home and Healthy for Good program (7004-0104) would be decreased to just under \$3.9 million**, matching the FY21 allocation and an increase over the Governor's H1 proposal. This program provides housing for chronically homeless individuals.
7. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at \$23.7 million, with \$22 million from direct appropriation plus an additional \$4.7 million from HPSTF.** RAFT is a homelessness prevention program that provides assistance with rent, mortgages, and other housing related costs.
 - In FY 21 funding for RAFT was increased in response to the coronavirus emergency. DHCD has established the Emergency Rental Assistance Program (ERAP), a rental assistance program for tenants with incomes up to 80 AMI affected by COVID-19, using temporary federal funds. Advocates will continue to push for adequate state funding.
 - HWM would maintain the increased maximum benefit amount of \$10,000 per household over a 12-month period.
 - HWM would require DHCD to allow a "short, simple application requiring minimal processing time" during the state of emergency.
 - HWM would maintain the obligation that DHCD provide quarterly reports to the Legislature, which was included in previous budgets.
 - HWM provides that no less than \$3 million be directed to expanded household types including elders, people with disabilities, and unaccompanied youths.

Housing

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 HWM
7004-9005	Public Housing Operating Subsidies	\$80m	\$75m	\$84m
7004-9007	Public Housing Reform	\$1m	\$1m	\$1m
7004-9024	Massachusetts Rental Voucher Program	\$135m	\$122,645,860	\$128,428,265 plus carry forward of up to \$20m in unspent funds from FY 21
7004-9030	Alternative Housing Voucher Program	\$10,621,601	\$5,621,601 Eliminated FY 21 one-time costs	\$8,685,355 plus carry forward from FY 21 of up to \$5,514,645
7004-3045	Tenancy Preservation Program	\$1.5m	\$1.3m Eliminated FY 21 one-time costs	\$1.8m
7004-9033	Rental Subsidy Program for DMH Clients	\$10.5m	\$10.5m	\$12.5m

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides operating funds for state public housing, would be funded under HWM at **\$84 million, \$4 million more than the \$80 million appropriated in the FY 21 budget**. HWM continues to provide that the Department of Housing and Community Development (DHCD) make efforts to rehabilitate local housing authority family units in need of repairs requiring \$10,000 or less. As with the final FY 21 budget, HWM budget also provides that all housing authorities operating elderly public housing shall offer first preference for elderly public housing units that are vacant on the effective date of this act, and thereafter, to those persons 60 years of age or older as of June 30, 2021 receiving rental assistance from the Massachusetts rental voucher program.

Public Housing is one of the most critical sources of affordable housing for extremely low-income families, seniors, and people with disabilities. There are approximately 45,600 state public housing units (13,450 units for families, 30,250 units for seniors and people with disabilities, and 1,900 for people with special needs). With over 152,000 households on the state's public housing waiting list, every one of these apartments is critical to maintain through operating subsidies. An increase in operating subsidy is needed to preserve public housing and also to ensure that apartments that are desperately needed do not remain vacant because they are not up to code.

2. **Public Housing Reform (item 7004-9007)** for costs associated with the implementation of the public housing reform law passed in 2014 would be **level funded at \$1 million**. Reforms in the 2014 law in need of continued funding include technical assistance training for resident commissioners and tenant organizations. Over the past three years this line item has contributed to funding a Public Housing Training Program successfully launched by the Mel King Institute at the Massachusetts Association of Community

Development Corporations. The trainings help resident leaders and resident commissioners on housing authority boards participate and engage in the development of housing authority policies in order to strengthen public housing communities.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term tenant-based and project-based rental subsidies to approximately ten thousand low-income households for use in the private housing market. **HWM funds MRVP at \$128,428,265 with a carry forward of up to \$20,018,333 in unspent FY 21 funds – this could total \$148.4M.** Advocates will work for increased funding to \$160,000,000, an increase in the number of subsidies, reducing the tenant rent share to 30% of income from the current range of 30-40% and addressing the provision in both the governor’s budget and the HWM budget that “allows” tenants to pay more than 40% of income for rent after the first year of occupancy.
 - HWM continues the provision in previous budgets setting the MRVP income limits at 80% of area median (“low-income”) and allowing DHCD to target up to 75% of the vouchers to extremely low-income households with incomes of not more than 30% of area median.
 - HWM maintains the requirement in the current and previous budgets that DHCD report to the legislature on MRVP utilization including the number and average value of rental vouchers distributed in the Commonwealth.
4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. HWM proposes \$8,685,355 plus a carry forward of up to \$5,514,645 from FY 21 unspent funds for a total of **\$14.2M** which could meet the advocacy goal of \$14.2 million.
5. **Tenancy Preservation Program (TPP) (item 7004-3045)**, a homeless prevention program that helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges, **would be funded under HWM at \$1.8 million, an increase of \$300,000 from the final FY 21 budget.** TPP keeps tenants in permanent housing versus a shelter, motel, or the streets and is increasingly being used to preserve tenants homes “upstream” before they are faced with an eviction in court.
6. **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 **increased by HWM to \$12.5 million, an increase of approximately \$2 million from FY 21 final budget.**

Legal Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Initial Budget	FY 22 HWM
0321-1600	MLAC	\$29m	\$29m	\$35m

1. For the **Massachusetts Legal Assistance Corporation (item 0321-1600)**, which supports grants for civil legal aid programs for low-income residents of Massachusetts, HWM is recommending an appropriation of \$35 million. This increase of \$6 million over the FY 21 amount will provide additional resources to legal aid programs across the state in a time of increased demand for civil legal services.

For more information on our House Ways and Means Budget summary, contact Brian Reichart (breichart@mlri.org) who will direct your question to the appropriate advocate.