

## **Senate Ways and Means FY 2020 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents**

**May 8, 2019**

Yesterday the Senate Committee on Ways and Means released its budget proposal for fiscal year 2020 (FY 20), 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, Related Items Administered by DTA, and Other Nutrition Items

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
4403-2000	TAFDC	\$201.58M	\$184.88M	\$204.46M	\$203.66M
4401-1000	Employment Services	\$14.34M	\$13.67M	\$13.68M	\$14.02M
4400-1979	Pathways to Self Sufficiency	\$1.00M	\$1.00M	\$1.00M	\$1.00M
4408-1000	EAEDC	\$76.26M	\$75.13M	\$76.33M	\$75.13
4405-2000	State supplement to SSI	\$220.47M	\$213.02M	\$215.82M	\$213.02
4403-2007	Supplemental Nutrition Program	\$300,000	\$300,000	\$300,000	\$300,000
4400-1020	Secure Jobs Connect	\$1.00M	\$1.00M	\$1.00M	\$1.00M
4403-2008	Transportation Benefits for SNAP Work Program	\$1.50M	\$1.50M	\$1.50M	\$1.50M
4403-2119	Teen Structured	\$8.81M	\$9.36M	\$9.36M	\$9.36M
4400-1100	Caseworkers Reserve	\$72.81M	\$79.26M	\$79.26M	\$79.26M
4400-1000	DTA Administration and Operation	\$62.69M	\$66.39M	\$65.66M	\$66.39M
4400-1025	Domestic Violence	\$1.61M	\$1.74M	\$1.74M	\$1.74M
4400-1001	Food Stamp/SNAP Participation Rate Programs	\$8.26M	\$8.57M	\$3.70M	\$10.03
4400-1004	Healthy Incentives Program	Included in 4400-1001	Included in 4400-1001	\$4.50M	\$6.5 M included in 4400-1001
<b>Non-DTA Nutrition Line Items</b>					
2511-0105	MDAR - Emergency Food Assistance Program (MEFAP)	\$18.4M	\$18.0M	\$18.98M	\$19.1M
4513-1002	DPH - Women, Infants and Children (WIC) Nutrition Services	\$11.87M	\$11.87M	\$11.87M	\$11.87M
4513-1012	DPH - WIC Program Manufacturer Rebates Retained Revenue	\$26.20M	\$28.40M	\$28.40M	\$28.40M
9110-1900	EOEA - Elder Nutrition Program	\$7.69M	\$9.7M	\$9.71M	\$9.71M

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

- **Senate Ways and Means proposes \$203.7 million for TAFDC (item 4403-2000), the basic financial assistance program for families**, slightly less than the House amount and about \$19 million more than the Governor. This is **enough to cover a full year of benefits for the 8,700 children currently excluded by the TAFDC family cap rule**. The House (in a vote of 155-1) overrode the Governor's veto of family cap repeal on April 10, the same day the House Ways and Means Committee released its budget. The Senate voted to override 37-3 on April 25. The family cap repeal bill requires the Department of Transitional Assistance (DTA) to implement repeal by September 1, 2019 retroactive to January 1, 2019.
- **Senate Ways and Means, like the House, includes language in line item 4403-2000 expressly barring the Governor from counting parents' SSI benefits in determining children's TAFDC eligibility**. The Governor proposed counting SSI benefits in his FY 17 and FY 18 budgets, in his amendment returning family cap repeal in July 2018, in his message accompanying his veto of family cap repeal in August 2018, in his FY 20 budget proposal, and in his message accompanying his veto of family cap repeal in April 2019. The Legislature has repeatedly and unequivocally rejected the Governor's proposal, which would cause 5,100 children to lose all of their TAFDC and would severely cut benefits for another 2,100 children. The House budget and the Senate Ways and Means budgets reject the Governor's proposal yet again.
- **Like the House, Senate Ways and Means would keep the annual TAFDC children's clothing allowance at \$350 (item 4403-2000), the same as FY 19**. Because the family cap has been repealed, needy children will no longer be denied the clothing allowance because of when they were conceived. The children's clothing allowance is paid in September. Like current and past years' line items and the House budget, SWM increases the standard of need in September when the clothing allowance is paid to allow very low income working families to qualify. The Governor did not include the clothing allowance in the standard of need.
- **Senate Ways and Means, like the House, includes line item language (item 4403-2000) expressly eliminating the reduction in TAFDC grants for families in emergency shelter**. Currently, DTA reduces TAFDC grants for families in shelter by \$148.50 a month (or \$129.90 a month for families who pay for a phone), making it harder for families to meet their expenses and still save enough to get out of shelter. The Administration said its proposal included funding to stop reducing shelter families' grants beginning October 1, 2019, but unlike SWM and the House, House 1 did not include language.
- **The line item (item 4403-2000) also provides language, included in the House budget but omitted by the Governor, requiring DTA to give 75 days' advance notice to the Legislature before cutting benefits or making changes in eligibility**. In FY 10, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families

headed by a severely disabled parent would not lose their TAFDC benefits. In FY 11, the advance notice language prevented the Governor from eliminating the clothing allowance. The line item also includes the current requirement of 75 days' advance notice before DTA proposes any changes to the disability standard, a requirement that DTA tell recipients about their eligibility for child care, and a provision allowing DTA to make eligibility or benefit changes that lead to an increase in eligibility or benefits. House 1 omitted these provisions.

- **Senate Ways and Means includes a \$1 million earmark for Transitional Support Services for TAFDC recipients.** Currently, families whose cases close due to earnings 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. Senate Ways and Means, like House 1 and the FY 19 budget, earmarks \$1 million for these benefits, though the actual cost is about \$3.4 million. The House omitted this earmark but included enough to fund the benefits. SWM also earmarks \$780,000 for transportation benefits for TAFDC recipients. In past years this earmark was in the Employment Services line item (4401-1000) but DTA has been supplementing the ESP earmark with about \$3 million from the TAFDC account. Neither the House nor the Governor earmarked funding for transportation benefits.
- **Like the House and the Governor, Senate Ways and Means proposes not to count one vehicle (section 50).** SWM and the Governor would make this provision effective October 1, 2019. The House provision would be effective July 1, 2019. Not counting a vehicle is a good step forward as was the Administration's initiative last year to raise the limit for countable assets from \$2,500 to \$5,000. The state should consider eliminating the asset test altogether. Applicants for and recipients of TAFDC rarely have substantial assets so the asset test adds to administrative burdens without reducing program costs. States that dropped the asset limit for their cash assistance programs did not see increases in their caseloads. A [policy brief from the PEW Charitable Trusts](#) concludes that "[A]sset limits return no advantage to the states that use them and expend resources to administer them." Not counting one vehicle would cost less than one-tenth of one percent of the line item because very few families with income low enough to qualify for TAFDC have a car value that exceeds the asset limit.
- **Senate Ways and Means would fund the Employment Services Program (ESP, item 4401-1000) at \$14.02 million, and would level-fund the Pathways to Self Sufficiency line item (4400-1979) at \$1 million.** SWM proposed funding is about \$500,000 more than the House and the Governor but about \$300,000 less than FY 19. According to House 1, projected ESP spending for FY 19 is somewhat more than the FY 19 appropriation so the cut for this chronically underfunded program appears to be particularly unwarranted. As in past years, SWM proposes different earmarks than the House. The House specifies level funding for the Young Parents Program and the very limited education and training programs for TAFDC parents; SWM proposes to fund these programs but does not state an amount. SWM proposes \$1.25 million for job search services for parents with limited English proficiency, \$250,000 more than the House. SWM earmarks \$200,000 for the DTA Works Program (paid internships at state agencies), which the House did not include. SWM

provides \$170,000 for learning disability assessments, also not included in the House budget. SWM earmarks \$100,000 for a South Middlesex transportation program but neither SWM nor the House earmark ESP funds for general transportation assistance. As in past years, the Governor did not propose any earmarks for ESP. SWM, unlike the Governor and the House, includes FY 19 language requiring the Administration to report on program outcomes.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$75.13 million**, the same as the Governor but \$1.2 million less than the House and the FY 19 appropriation. The SWM proposed line item, like the House, includes language adopted for FY 19 providing the basic grant of \$303 a month to individuals who are homeless (previously, homeless EAEDC recipients were only eligible for \$90 a month). The basic grant of \$303 is even lower than the TAFDC grant for 1 person. EAEDC grants were last raised in the 1980s. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of any grant increase for some EAEDC recipients. SWM, like the House and unlike House 1, includes language requiring 75 days' advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility.
- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$213.02 million**, the same as the Governor but about \$2.8 million less than the House and also less than projected spending for FY 19.
- **The Supplemental Nutrition Program (item 4403-2007) would be funded at only \$300,000**, as in FY 19, the same as House 1 and the House. 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 level-funded at \$1 million, the same as the Governor and the House. 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 funded at \$1.5 million, the same as FY 19, and the same as the House and the Governor. Federal SNAP law imposes a work requirement on beneficiaries considered to be "Able Bodied Adults without Dependents." An estimated 20,000 MA SNAP recipients lost their nutrition assistance because of this law in 2016 and 2017. Proposed USDA rule changes would put another 35,000 vulnerable adults at risk of losing their SNAP benefits. DTA has expanded its work activity programs for these individuals, but since many of them have no income at all, lack of transportation to get to a work activity has been a barrier. Providing transportation assistance will help. Unfortunately, an even greater investment would be needed to connect a substantial percentage of the at-risk SNAP recipients with a work activity. The difficulty of providing SNAP beneficiaries with a work activity

that will allow them to retain critical nutrition benefits should be a cautionary tale to states that are considering imposing work requirements in their Medicaid programs.

2. **Teen Living Programs (item 4403-2119) would be funded at \$9.4 million, the same as the House and the Governor, compared with \$8.8 million in FY 19.**

- According to EOHHS, the reduction last year was because of savings from the declining caseload in the teen parenting program. Projected spending in FY 19 is \$9 million.

3. **DTA Administration**

- **The DTA worker account (item 4400-1100) would be funded at \$79.3 million**, an increase from \$72.8 million in FY 19 and the same as the House and the Governor. Projected spending for FY 19 is \$76.2 million. According to the Administration, the proposed amount would be enough to maintain the current workforce, fill open positions, and cover previous wage and benefit increases, but would not allow for additional staff. Additional workers are necessary to close the “SNAP Gap” (low income MassHealth recipients likely eligible for but not receiving SNAP).
- **DTA central administration (item 4400-1000) would be increased to \$66.4 million**, the same as the Governor and about \$500,000 more than the House, compared with \$62.7 million appropriated for FY 19. The SWM proposed line item, like the House, includes the requirement from past years that DTA produce a monthly report on program savings and revenues, caseloads, and collections. The Governor omitted this requirement, perhaps because DTA now posts some of this information on line. The SWM line item also includes current language – specified by the House but omitted by the Governor – providing that an application for TAFDC shall also be treated as an application for MassHealth. There is no additional funding for the costs of IT needed to close the “SNAP Gap.”
- **DTA domestic violence workers (item 4400-1025) would be funded at \$1.7 million**, slightly more than FY 19 and the same as the Governor and the House, likely reflecting increased wage and benefit costs.

4. **Other Nutrition Items Administered by DTA**

- **Senate Ways and Means proposes \$10.03 million in a combined line item (4400-1001) for SNAP Participation Rate Programs and the Healthy Incentives Program (HIP).** An earmark of \$6.5 million for the HIP is \$2 million more than the \$4.5 million the House provided for HIP in a separate line item (House item 4400-1004), but less than what farmers and anti-hunger advocates believe is needed to fully operate the program and meet demand in FY20. HIP provides a dollar-for-dollar match, up to a capped amount, for SNAP recipients who make fresh fruit and vegetable purchases at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. The balance of the proposed \$10 million – \$3.5 million – would fund Project Bread’s Food Source

Hotline, U. Mass. Medical SNAP outreach, and other DTA projects to increase access to nutrition benefits. The Governor proposed \$8.6 million for both programs, with the expectation that \$5.04 million would fund HIP and the balance would fund Participation Rate programs.

## 5. Additional Non-DTA Nutrition Items

- **The Massachusetts Emergency Food Program** (Item 2511-0105) is funded at \$19.08 million, a \$100K increase over the House FY20 budget and \$1.1million more than House 1. This program, which supplements federal TEFAP funding, is distributed by the Mass Department of Agriculture Resources (MDAR) to the regional food banks in Greater Boston, Western Mass, Merrimack Valley and Worcester County. The four MA food banks stepped up to the plate in February and March to address the chaos created by the federal shutdown, including by setting up emergency food pantries at U.S. Coast Guard stations and assisting the families of furloughed workers who did not receive their paychecks during the shutdown.
- **The state subsidy for the Women, Infant and Children’s (WIC) Program** (item 4513-1002) remains level-funded at \$11.87 million and the WIC Manufacture Rebates Retained Revenue is projected to remain at \$28.4 million, same as the FY20 House Budget and House 1.
- **The state subsidy for Elder Nutrition Programs** (item 9110-1900) is funded at \$9.7 million, same as the FY20 House budget and House 1.

## Child Welfare: Department of Children and Families and Related Items

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
	Department of Children and Families	\$1,007.23M	\$1,050.28M	\$1,046.85M	\$1,052.03M
4800-0015	Clinical Support Services and Operation	\$102.78M	\$109.85M	\$109.85M	\$109.85M
4800-0030	Local/Regional Management of Services (Lead Agencies)	\$6.67M	\$6.67M	\$0	\$6.67M
4800-0038	Services for Children and Families (Family Foster Care)	\$298.82M	\$307.74M	\$308.49M	\$307.99M
4800-0040	Family Support and Stabilization Services	\$50.50M	\$50.97M	\$53.47M	\$50.97
4800-0041	Congregate Care Services	\$285.76M	\$293.44M	\$293.44M	\$293.44M
4800-0058	Foster Adoptive and Guardianship Parents Campaign	\$750,000	\$750,000	\$750,000	\$750,000
4800-0091	Child Welfare Training Institute	\$2.69M	\$2.75M	\$2.75M	\$2.75M
4800-0200	Family Resource Centers	\$15.05M	\$15.00M	\$15.00M	\$16.50M
4000-0051	Family Resource Centers	\$500,000	\$0	\$0	\$500,000
4800-1100	DCF Social Workers	\$236.81M	\$255.41M	\$255.41M	\$255.41M

1. **While Senate Ways and Means funds DCF at over \$1 billion, this funding covers mostly the enormous costs of placing children outside of their homes in foster care. Senate Ways and Means would essentially level fund, at less than \$51 million, the family stabilization and support services (item 4800-0040) that are needed to keep and return children safely home.**

- DCF's primary mission is first to do everything possible to keep children safely at home before removing them from their parents and placing them in foster care. [MGL c 119 §1](#). If children must be placed in foster care, DCF's first responsibility is to try to return them home as soon as safely possible. In fact, 87% of the children in DCF's caseload remain at home, or are in foster care with a goal of returning home. Yet SWM allocates less than 8% of DCF's total services budget to the family stabilization and support services that these children need to remain or return safely at home.
- Family stabilization and support services help avoid the trauma of family disruption when possible as well as the financial costs to the state of placement in foster or group residential care. In the approximately 75% of all DCF cases in which the Department is involved because of neglect and not abuse, many children can remain safely at home with the appropriate services. Family stabilization and support services are less expensive than out-of-home placements, and greater investment in these services reduces the need for out-of-home placements.

- SWM allocates \$2.5 million less for family stabilization and support than the House. This is the same amount the Governor proposed. This is the first budget we are aware of, at least as far back as FY 13, that the Senate has allocated less for this line item than the House. In the past two fiscal years, the Senate has allocated substantially more than the House.
  - Beginning in October of 2019, a new federal law, **the landmark Family First Prevention Services Act**, will make federal Title IV-E funds (the major source of federal child welfare funding) available to the states, for the first time ever, to reimburse states for the costs of services that keep children safely at home and out of foster care. Massachusetts is not expected to take advantage of this option in 2019. Once it does begin to draw down federal matching funds for preventive services, Massachusetts will have an influx of federal financial resources available to meet its mandate to provide effective services to try to keep children safely at home before removing them from their parents.
2. **In stark contrast to its underfunding of services to keep and return safely at home, SWM allocates \$601.4 million (in items 4800-0038 and 0041) to the costs of placing children in foster care.**
- Of this, \$308 million would cover the costs of family foster care (item 4800-0038) and \$293.4 million would cover the costs of congregate care (item 4800-0041).
  - Since December 13, 2013, following a series of child tragedies, the number of children placed out of their homes has increased by 20% (from 7677 children in 2013 to 9183 children in December of 2018). This steep increase in out-of-home placements is due in part to increased vigilance at DCF, in part to the impact of the opioid crisis on families and children, and in part to the fact that funding for prevention of child neglect (substance use, mental health, domestic violence, family homelessness services) as well as funding for family stabilization and support services to prevent the recurrence of child neglect, has not kept pace with the need.
  - SWM adds line item language to the foster care account (4800-0038) allowing funds to be used “to support reforms at the department to improve foster care and placement stability and to ensure positive permanency outcomes for children.” This follows recent powerful [reporting by the Boston Globe](#) about the many children bouncing from one foster home to another during prolonged stays in foster care. It also addresses widespread efforts to ensure that children leaving foster care find permanent homes rather than “aging out” without finding families.
  - SWM, the House and the Governor would also invest \$750,000 in a foster care recruitment campaign (item 4800-0058).
3. **SWM would fund Family Resource Centers at \$17 million (items 4800-0200 and 4000-0051).**
- Family Resource Centers provide one of the few means by which families in crisis can voluntarily receive services to prevent neglect of their children before it happens. These

community-based service centers connect families to educational programs, a host of activities, referrals, and peer support. They also provide a mechanism for the juvenile court to refer families to community-based services in order to fulfill the requirements of the Children Requiring Assistance law (the “CRA” law) which replaced the former CHINS program with a system of community-based services for families in need.

- SWM allocates \$1,450,000 more than current funding, and \$2 million more than the Governor and the House. The Governor had proposed to carry over into FY 20 the FY 19 unused funds that had been allocated but not used to convert “micro,” or limited service family resource centers, into full-service family resource centers. With this carried over funding, there would be a total of 17 full-service Family Resource Centers and 5 micro centers throughout the state.

**4. The social workers’ account would be increased by \$18.6 million to \$255.4 million; the Training Institute would get a \$73,619 increase to \$2.75 million. Both of these match the House and Governor’s budgets.**

- According to its most recent publicly available reports, DCF increased its social worker workforce by 375 social workers from February of 2016 to March of 2017 and by an additional 87 workers by May of 2018. It is unclear how many more workers DCF needs at this time. Social workers need a sufficiently low caseload so they have time to adequately monitor families, intensively manage those that present risk factors, and make sound decisions about whether a child can remain safely at home or must be removed. Recent press accounts indicate that despite much new hiring, social worker caseloads for certain types of cases, including those in which workers support foster families, are still well over the limits the social workers negotiated in their contracts.
- The funding increase for the child welfare training institute will be needed to train not only the many new DCF hires, but also all DCF employees, on the many new policies DCF is currently implementing.

**5. DCF’s administrative account (item 4800-0015) would be increased by \$7 million to \$109.8 million, as the Governor proposed.**

**6. SWM level funds lead agencies at \$6.67 million.**

- Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves. They are currently funded at \$6.7 million. While the House typically does not include lead agencies in its budget, the Senate does, and lead agencies have been included in the final budget each year for many years.

**7. SWM would fund the domestic violence line item (4513-1130), formerly in DCF’s budget and now in DPH’s budget, at \$37.8 million.**

- This is an increase of slightly under \$514,000 over the current allocation. It is \$210,000 less than in the House final budget, but the same as proposed in the HWM budget.

- As with Family Stabilization and Support services, these services help prevent abuse and neglect, and can help keep children safely at home and out of foster care.
  - Domestic violence services include beds for domestic violence shelter, supervised visitation, supports to victims of domestic violence, and salaries for DCF domestic violence staff. Often, the domestic violence shelter system is full and must turn away many domestic violence survivors who then turn to the Emergency Assistance program for shelter for themselves and their children.
8. **Funding for the Bureau of Substance Abuse Services (BSAS) (item 4512-0200) would be increased by \$8.3 million over the FY 2019 allocation to \$150.2 million. This is \$6.3 million more than in the House budget and \$10.8 million more than the Governor proposed.**
- BSAS funds treatment for parents with substance use disorders. As with family stabilization and support and domestic violence services, substance use treatment services can prevent the occurrence or recurrence of child neglect and enable parents to keep their children safe at home.
9. **Funding for the Office of the Child Advocate (item 0411-1005), would be increased by \$237,000 to \$1.4 million, as the Governor and the House also proposed.**
- This is a major increase for the Child Advocate’s office which has a broad and growing set of responsibilities to oversee the Commonwealth’s services to and protection of its children.

## Health Issues in MassHealth and ConnectorCare

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
4000-0500	MassHealth Managed Care	\$5,759,010,341	\$5,602,463,479	\$5,602,463,479	\$5,602,463,479
4000-0601	MassHealth Senior Care	\$3,587,516,725	\$3,746,483,697	\$3,746,483,697	\$3,746,483,697
4000-0641	Nursing home supplemental rates	\$365,400,000	\$365,400,000	\$400,400,000	\$380,400,000
4000-0700	MassHealth Fee For Service Payments	\$2,646,228,033	\$2,874,688,066	\$2,874,688,066	\$2,874,688,066
4000-0940	MassHealth ACA Expansion Populations	\$2,138,679,253	\$2,334,634,687	\$2,334,634,687	\$2,334,634,687
4000-0990	Children's Medical Security Program (CMSP)	\$12,096,978	\$14,700,000	\$14,700,000	\$14,700,000
1595-5819	Commonwealth Care Trust Fund	\$45,772,939	\$0	\$0	\$0

**1. SWM, like the House, includes a proposal to expand Medicare Savings Programs for 40,000 low-income seniors. (Sections 40 and 55).**

- Senate Ways and Means, like the House, follows the Governor's lead in proposing to expand the financial eligibility criteria for three existing Medicaid-paid Medicare Savings Programs (MSP) that help Medicare recipients with their Medicare premiums and cost sharing. The expansion will help up to 40,000 low income seniors: 25,000 will be newly eligible for Medicaid to pay their Medicare Part B premiums (\$135.50 per month in 2019). An additional 15,000 now receiving help with Part B premiums would additionally be relieved from the costs of Medicare deductibles and other cost sharing. Another benefit of expanding MSP is that Medicare recipients who qualify for MSP are automatically eligible for the entirely federal-funded low income subsidy to lower the costs of Medicare drug coverage. A proviso in 4000-0601 also requires an annual report on implementation of the MSP expansion.
- The three MSPs currently assist Medicare recipients with income up to 100% of the federal poverty level (FPL), 120% FPL, or 135% FPL and countable assets less than \$7,730 for an individual or \$11,600 for a couple (2019). Section 40 would use a method permitted under federal law to increase the minimum income limit by disregarding an amount equivalent to 30% FPL effectively increasing the three income upper limits to 130%, 150% and 165% FPL, and by disregarding the amount of the current asset maximum effectively doubling the amount of countable assets allowed.

- The cost of the expansion is \$30 million. Section 55 authorizes a fund transfer of up to \$7.5 million from the Prescription Advantage account and the Health Safety Net Trust Fund to support the MSP expansion provided the Secretary certifies the amount and explains the amount of expected savings relating to the transfer. This appears to give the Secretary broader discretion to transfer funds than Section 45 of the House budget which authorized a fund transfer only to the extent the Secretary certified there will be savings to Prescription Advantage and the Health Safety Net Fund.
- Legislation has been introduced this session to eliminate the asset test entirely not just for seniors but for younger Medicare beneficiaries with disabilities too—a step that other states have taken --and to raise the income limit by 65% FPL over three years to provide more relief for seniors and disabled Medicare beneficiaries. S. 699 (Sen. Lewis) and H. 1199 (Rep. Ultrino).

**2. SWM would give EOHHS more tools to negotiate supplemental drug rebates for MassHealth (sections 4 and 39)**

- Senate Ways and Means would enable EOHHS to more effectively negotiate supplemental rebate agreements with drug manufacturers for the costs of drugs in the MassHealth program. The SWM approach is similar to the Governor’s proposal in House 1 compared to the weaker provision included in the House budget. Section 39 authorizes MassHealth to negotiate supplemental rebate agreements based on a proposed value of the drug. If negotiations for very high cost drugs stall, EOHHS can refer the drug manufacturer to the Health Policy Commission (HPC). Section 4 authorizes the HPC to require drug manufacturers to disclose records related to drug pricing. If the Commission determines the pricing is potentially unreasonable or excessive, it may require the manufacturer to appear and testify at a public hearing to provide further information. Failure of the manufacturer to comply with requests for information or to provide complete and truthful information may subject it to financial penalties imposed by the HPC or a referral to the Attorney General. If the HPC concludes that the drug manufacturer’s pricing was unreasonable or excessive, it may refer the drug manufacturer to the Attorney General for appropriate action under consumer protection or other applicable laws. SWM adds a provision not in House 1 requiring the HPC to give advance notice of an intended sanction or referral and 30 days for the manufacturer to appeal the HPC determination to Superior Court. The Executive Summary estimates savings of \$80 million gross, \$28 million net.
- In Section 66 SWM also requires a report on potential savings from MassHealth prescription drug purchasing alternatives such as bulk purchasing by March 1, 2020.

**3. SWM creates a task force on nursing homes (Section 68 and Lines 4000-0641)**

Senate Ways and Means addresses serious problems in the nursing home industry by creating a task force to review the financial stability of nursing homes in the commonwealth, the role of nursing homes in the elder services continuum of care, and workforce challenges. (Section 68). It also makes one of its very few changes in

MassHealth line items by increasing the amount of the Nursing Home Supplemental Rates in 4000-0641 by \$15 million over the 2019 GAA and the Governor's proposal for FY 20, but less than the increase in the House bill. Problems in the industry go beyond MassHealth reimbursement rates and include an oversupply of nursing home beds and a dangerous decline in the quality of nursing home care. The 40,000 residents now in nursing homes make up some of the Commonwealth's frailest and most isolated residents. Just last week five nursing homes owned by Skyline, one of the national chains that have entered the Massachusetts market in recent years was put in receivership. Last month the Attorney General announced settlements against seven nursing facilities for broad and systemic failures leading to death and injury. The problem-plagued Synergy national chain of nursing homes have also been in receivership for fiscal mismanagement and fined for patient deaths and injuries. The task force is charged with reporting back with recommendations by November 2019. The House also called for a task force on nursing home stabilization with a one year reporting deadline. Both the House and SWM provide for representatives of the nursing home industry and union to be on the Task Force, but only SWM adds a senior consumer organization.

#### **4. No cuts to MassHealth eligibility or services.**

- The SWM Executive Summary states that it proposes to fund MassHealth at \$16.55 billion for 1.8 million lives in 2020. Nothing in the line item amounts, provisos, or outside sections indicates any reduction in eligibility or services planned for FY 20.
- Section 59, concerning adult dental benefits in MassHealth, only guarantees the scope of coverage that was in place on January 1, 2019 which does not include the periodontal services that the FY 2019 GAA ordered to be restored by June 1, 2019, but it appears the use of the January 1 date was inadvertent. Both House 1 and the House budget guaranteed services in effect as of June 1, 2019. Look for a technical amendment changing the reference date.

#### **5. Increase in CMSP spending but no relief from benefit limits (4000-0990)**

- The Children's Medical Security Program (CMSP) provides a basic package of primary care services to over 40,000 children and youth under 19 who do not qualify for MassHealth either due to immigration status or family income. SWM, like the House, increases the CMSP appropriation by 22% over FY 19 GAA and FY19 spending to reflect increased demand. However, nothing in the line item overrides 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 are in the statute at GL c. 118E, sec. 10F. Legislation has been introduced this session to provide more comprehensive coverage for children regardless of immigration status. H. 162 (Rep. Rogers) and S. 677 (Sen. DiDomenico).

**6. No transfer needed for the Commonwealth Care Trust Fund (1595-5819)**

- **1595-5819** does not appear in the SWM budget; it was also absent from House 1. This line item is for the Commonwealth Care Trust Fund (CCTF) which provides supplemental state funding for the ConnectorCare program which currently insures over 200,000 people. The fund is not projected to require an appropriation from the General Fund in FY 20.

## Homeless Services

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
7004-0101	Emergency Assistance	\$171.79M*	\$177.93M	\$165.75M	\$177.93M
7004-0108	HomeBASE	\$32.00M	\$25.83M	\$25.83M	\$25.83M
7004-0099	DHCD Administration	\$7.68M	\$7.12M	\$7.22M	\$7.12M
7004-0100	Operation of Homeless Programs	\$5.37M	\$5.85M	\$5.85M	\$5.85M
7004-0102	Homeless Individual Shelters	\$48.18M	\$48.36M	\$53.36M	\$48.36M
7004-0104	Home and Healthy for Good Program	\$2.39M	\$2.39M	\$2.39M	\$2.39M
7004-9316	Residential Assistance for Families in Transition (RAFT)	\$20.00M*	\$15.27	\$15.27M**	\$15.27M**

\* These appropriations were augmented later in FY 19, either by supplemental budgets or some other means.

\*\* HWM & SWM both provide \$15.27M of direct appropriation and would authorize an additional \$4.73M from the Housing Preservation and Stabilization Trust Fund (HPSTF), M.G.L. c. 121B § 60.

**1. Emergency Assistance (7004-0101) would be funded consistent with the Governor's proposal and above the House 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.

- SWM removes restrictions on access to EA shelter that force many families and children to prove they slept in a place not meant for human habitation before they can be eligible. SWM would make families eligible who, “but for not having spent 1 night” in a place not meant for human habitation would be homeless. Advocates have pushed for a more humane policy so that children must not first sleep in cars, emergency rooms, or other inappropriate places before they are eligible for shelter.
- SWM continues to ensure that families are not terminated from EA shelter for exceeding the income limit (115% of the federal poverty level) but caps that amount below the HWM amount, providing that families not be terminated unless and until the income exceeds 115% of the federal poverty level for a “sustained and consecutive period of 90 days.” SWM maintains the 6-month grace period for exiting shelter after over-income termination.
- SWM includes language requiring DHCD to expend no less than \$4M to contract no fewer than 60 new shelter units suitable for “households with disabilities requiring reasonable accommodation”. Advocates will continue to evaluate the type and location of new units to ensure that families’ needs are accommodated.
- SWM adds language allowing DHCD to use, in addition to the Department of Children and Families (DCF), other “department-approved entit[ies]” to conduct “health and safety” risk assessments.

- SWM requires DHCD to provide the Legislature with no fewer than 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.
- SWM includes language requiring DHCD to provide monthly reports to the Legislature with data about what is happening to families, including numbers of applications, diversions, terminations and their reasons, and those denied shelter. SWM also adds to monthly reporting requirements the number and ages of children served and the standards used to determine health and safety risks. SWM also requires quarterly reports on the numbers of families who applied for a reasonable accommodation-related transfer and how many such requests for transfer were approved but not made due to lack of available units, as well as information about the numbers of families more than 20 miles from their home communities or have a child attending a school outside their home community
- SWM removes language first proposed by the Governor and retained by HWM specifying that funds be used for “homelessness prevention, diversion and strategic re-housing, and contracted family shelters.” It is unclear how these terms are defined or why they were inserted, but it raises concerns about EA funds potentially being shifted towards non-EA shelter services.
- SWM removes language directing DHCD to reduce the overall number of scattered site units in favor of congregate units.

2. **HomeBASE (7004-0108) would be funded consistent with the Governor and HWM’s proposals, approximately \$7 million below FY 19.** HomeBASE provides short-term rental assistance, instead of shelter, to families experiencing homelessness.

- SWM maintains the current maximum assistance level of \$10,000 in a 12-month period. Advocates have called for HomeBASE to be made available for an extended period for eligible families, and that the amount be increased to better reflect housing costs and increase families’ chances at self-sufficiency.
- SWM maintains current language providing that families not be deemed ineligible for a single violation of a self-sufficiency plan. SWM removes language that families headed by elder or disabled individuals not be denied HomeBASE assistance.
- SWM restores language, removed by HWM, requiring DHCD to use funds to more rapidly transition families into permanent or sustainable housing.
- SWM maintains language requiring DHCD to provide the Legislature with not less than 90 days advance notice before imposing new eligibility restrictions or benefits reductions. SWM also retains language requiring DHCD to provide timely reports to the Legislature.

- SWM retain language providing that assistance funds be advanced monthly based on the prior month's expenditures.
  - SWM continues to allow DHCD to expend HomeBASE funds for eligible families in domestic violence and residential treatment programs (4512-0200 and 4513-1130), including sober living programs, as long as the families meet EA eligibility requirements, but removes the \$300,000 cap on those funds. SWM removes the requirement that DHCD develop guidance on filling vacancies in residential treatment, sober living, or domestic violence facilities with EA-eligible families.
3. **DHCD Administrative line item (7004-0099) would be funded at similar levels as the Governor and HWM's proposals.**
- SWM restores the requirement that DHCD promulgate and enforce regulations, by September 2, 2019, to clarify that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing. This language has been included in budgets for the past several years.
  - SWM retains the requirement that DHCD accept in-person applications in the 10 cities and towns where DHCD had staff on January 1, 2019, and requires DHCD to provide a report to the Legislature by September 2, 2019, on its plans for in-person and telephonic intakes. SWM restores the requirement that DHCD staff receive annual trainings, which was removed by HWM.
4. **Residential Assistance for Families in Transition (RAFT) (7004-9316) would be level funded to current spending.** RAFT is a homelessness prevention program for families with children.
- As in prior years RAFT would provide up to a maximum of \$4,000 in assistance, but no family could receive combined assistance from HomeBASE and RAFT above a maximum of \$10,000.
  - SWM would provide no less than \$3M to serve households who meet a broader definition of "family" including unaccompanied youth, elders, persons with disabilities, and other households.
  - SWM maintains previous budget language obligating DHCD to provide quarterly data reports to the Legislature.
  - Advocates have called for a \$7M pilot program to provide upstream homelessness prevention resources to households behind on rent or mortgage payments, but for whom eviction or foreclosure has not yet been commenced.
  - SWM retains HWM language directing \$4.73M from the Housing Preservation and Stabilization Trust Fund for RAFT funding.

## Housing

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
7004-9005	Public Housing Operating Subsidies	\$65.65M	\$65.50M	\$72.00M	\$72.00M
7004-9007	Public Housing Reform	\$1.00M	\$1.00M	\$1.00M	\$1.00M
7004-9024	Massachusetts Rental Voucher Program	\$100.00M	\$100.00M	\$110.00M	\$104.00M
7004-9030	Alternative Housing Voucher Program	\$6.15M	\$6.15M	\$7.15M	\$8.00M
7004-3045	Tenancy Preservation Program	\$1.30M	\$1.30M	\$1.30M	\$1.30M
7004-9033	Rental Subsidy Program for DMH Clients	\$6.54M	\$6.54M	\$7.55M	\$6.54M
0336-0003	Housing Court Expansion	\$2.6M	Consolidated into existing line-item 0336-0002 for Housing Court Department (\$10.16M)	Consolidated into existing line-item 0336-0002 for Housing Court Department (\$10.16M)	Consolidated into existing line-item 0336-0002 for Housing Court Department (\$10.16M)

1. **Public Housing Operating Subsidies (item 7004-9005): SWM would increase funding for public housing operating to \$72 million, the same amount the House passed in its FY 20 budget.** This is a \$6.5 million increase from FY 19 budget of \$65.5 million. This long-needed increase is in line with the amount that public housing tenants and housing advocates have requested which is \$72 million.

- There are approximately 45,600 state public housing units in Massachusetts: 30,250 units for seniors and people with disabilities, 13,450 units for families, and 1,900 for people with special needs. We are one of the few states to fund state public housing.
- Public Housing is a critical source of housing for very poor people and very poor working families. Data shows that 81% of the households in state public housing are extremely-low-income with incomes of less than 30% of area median income.
- While there is currently an estimated \$2 billion in repairs needed for state public housing (which must be funded with capital bond funds), an increase in public housing operating funds will be very important to help maintain properties for the long-term.
- SWM continues to provide that DHCD should make efforts to rehabilitate local housing authority family units in need of repairs requiring \$10,000 or less. With 160,000 households on the state's new waiting list for state public housing, it is critical to rehabilitate public housing and bring apartments back on line.

- SWM does not include language that would require housing authorities to offer first preference for elderly public housing to elders receiving MRVP vouchers. This language was included in the House FY 20 budget and the final FY 19 budget.
2. **Public Housing Reform (item 7004-9007): SWM would level-fund the public housing reform line item at \$1 million**, as did the House FY 20 budget. The line item funds costs associated with the implementation of the public housing reform law passed in 2014 (Chapter 235 of the Acts of 2014). It specifically references funds for “the creation and implementation of an information technology platform for state-aided public housing,” which is a centralized waiting list for public housing applicants.

On April 10, 2019 DHCD inaugurated the application portal for state public housing as required by the 2014 public housing reform law. The new application system, years in the making, is called CHAMP (Common Housing Application for Massachusetts Public Housing). There are over 240 housing authorities. Now instead of having to apply separately to each housing authority, applicants will be able to apply on line (or by paper if they choose) once and send their applications to multiple housing authorities with one key stroke. More on CHAMP can be found at [www.mass.gov/applyforpublichousing](http://www.mass.gov/applyforpublichousing)

Other reforms in the 2014 law in need of continued funding include technical assistance training for resident commissioners and tenant organizations. Last year a Public Housing Training Program was successfully launched by the Mel King Institute, based at the Massachusetts Association of Community Development Corporations and accomplished in partnership with the Department of Housing and Community Development, Mass Housing Partnership, Massachusetts Union of Public Housing Tenants, MassNAHRO, and Massachusetts Law Reform Institute. The training helps residents participate and engage as leaders in their Housing Authority contributing to the stronger public housing communities.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term rental subsidies to low-income tenants in the private housing market. Although SWM would increase MRVP funding from \$100 million in the FY 19 budget to **\$104 million – less than the House approved amount of \$110 million**. SWM would compensate for that lower appropriation by requiring that up to \$6 million in FY 2019 MRVP funds shall not revert to the general fund, but be made available for the FY 20 MRVP line item.
- Advocates will continue to press for \$130 million for additional vouchers and to improve the usefulness of the program. MRVP voucher holders often are not successful in many areas of the state because the subsidy and the maximum rents are too low to allow them to find housing or landlords that will accept the vouchers. The SWM budget squarely recognizes this problem and increases the allowable rent levels for mobile vouchers issued or leased after August 1, 2019 to *current* HUD fair market rents rather than the 2005 FMRs allowed now. SWM also allows administering agencies to determine rent reasonableness (as is the practice in the federal Housing Choice Voucher program). Bills filed in this session of the legislature (S 797 and H 1305) would improve the program including: codifying the MRVP program, increasing allowable rents and payment standards, and requiring inspections.

- SWM continues the provisions from recent years setting MRVP income limits at 80% of area median (low-income). However, SWM mandates rather than allows, as in the House budget, DHCD to require administering agencies to target up to 75% of the vouchers to extremely low-income households (ELI - incomes not more than 30% of area median). MRVP advocates support this provision and S. 797 and H. 1305 which also would require rather than allow DHCD to income target to ELI households.
  - SWM continues the policy in previous budgets of requiring tenants to pay not less than 30%, and not more than 40% of income for rent. There is some debate within the advocacy community about the wisdom of capping tenant rent share at 40% of income given the high contract rents in Massachusetts and the scarcity of available MRVP units. Some advocates say it is best to let the MRVP household decide about rent burden similar to the federal Housing Choice Voucher program which caps tenant rent at 40% of income at initial occupancy only. Others disagree pointing out that an “affordable” voucher program shouldn’t allow tenants to be so heavily rent burdened.
  - The SWM budget, like the House budget, continues to require DHCD to report to the legislature on MRVP utilization including the number and average value of rental vouchers distributed in the Commonwealth. However, the Senate budget helpfully goes further and requires the report to provide the average number of days it takes for a family to utilize a voucher after receiving it and the number of families waiting for a rental voucher. Capturing this information is important in the development of future MRVP policies and budgets.
4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030): SWM would increase this line to \$8 million** up from \$6.15 million in the FY 19 budget (and the Governor’s FY 20 budget) and up from \$7.15 million passed by the House in its FY 20 budget. The SWM amount of \$8 million is the amount that advocacy organizations are requesting to grow and improve this essential rental assistance program for non-elderly, disabled households. While the House budget includes a requirement that DHCD must submit an annual report to the Secretary of Administration and Finance and the Legislature on the number of outstanding vouchers and the number of types of units leased, the SWM clarifies that DHCD must submit a report no later than December 13, 2019.
5. **Tenancy Preservation Program (TPP) (item 7004-3045): SWM would level-fund TPP at \$1.3 million**, the same as the House FY 20 budget. TPP is a homeless prevention program based in Housing Court which helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges. Over the past year, TPP has undergone a parallel expansion along with statewide Housing Court expansion. Advocates are requesting level funding in the amount of \$1.3 million to meet the need.
- TPP, which is coordinated by MassHousing, is supported by both landlords and tenants. Landlords like the program because they retain tenants, recoup rent arrearages, and do not have to pay the costs associated with evictions.

- For FY 18, the cost per TPP case (total statewide budget/total number of households directly assisted) was \$2,388.
  - The most recent data from FY 18 shows that 90% of TPP cases closed statewide resulted in homelessness being prevented - 529 cases were closed and homelessness was prevented in 478 of those cases; 44% of the households who were directly assisted were families with minor children.
  - 76% of the households directly assisted by TPP were households living in public and privately owned subsidized housing, this includes tenants with vouchers. If these households lose their housing it could be years before they could replace such assistance, and depending upon the reason for the eviction they could also be barred from Emergency Assistance shelter. Their options become streets, cars, and couches.
  - 36% of households were directly assisted by TPP before the landlord filed a case in court. Pre-court or “upstream” resolution of disputes enables landlords and tenants to resolve matters before they become legal adversaries, before landlords incur court costs, and before tenants are branded with a public eviction record that can hurt their chances to find new housing.
6. **Department of Mental Health Rental Subsidy Program (item 7004-9033): SWM would level fund this item at \$6.54 million** the amount in the final FY 19 budget. The House FY 20 budget increased this line item to \$7 million. This line item provides rental subsidies to eligible clients of the Department of Mental Health.
  7. **Housing Court Expansion (item 0336-0003):** SWM, like the FY 20 House budget and the Governor’s FY 20 budget, would consolidate funds for the housing court into the Housing Court Department’s existing operating budget in the amount of \$10.16 million.
  8. **Childhood Lead Poisoning Prevention Trust Fund (Outside Section 6):** SWM includes an outside section creating a Childhood Lead Poisoning Prevention Trust Fund. The fund is based on an existing retained revenue account that was established for the department of public health by *An Act Further Regulating Lead Paint in the Commonwealth* under the Acts of 1993, Chapter 482, Section 22. The fund would continue to serve its original purpose and be used to: 1) produce and distribute educational materials related to lead paint poisoning prevention and treatment, 2) train lead paint inspectors, and 3) train homeowners to safely abate and contain lead paint. The outside sections expands the source of funding to go beyond revenues from certain surcharges to also include: 1) appropriations or other funds specifically authorized by the Legislature and 2) public or private sources of funding, including donations, grants, and settlements specifically designated for the fund.

## Legal Services

Account	Description	FY 19 General Appropriation	FY 20 Governor's Budget	FY 20 House	FY 20 SWM
0321-1600	MLAC	\$21.04M	\$21.00M	\$23.60M	\$22.00M

1. **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 \$22 million, a five percent increase over the FY 19 appropriation and \$1.6 million less than the House recommendation. MLAC is seeking a \$5 million increase over the FY 19 amount (to \$26 million) to help meet the growing statewide demand for civil legal services.

For more information on our SWM summary, contact Brian Reichart ([breichart@mlri.org](mailto:breichart@mlri.org)) who will direct your question to the appropriate advocate.