

## **Senate Ways and Means FY 2023 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents**

**May 12, 2022**

On May 10, 2022, the Senate Committee on Ways and Means released its budget proposal for fiscal year 2023 (FY 23), which is referred to as Senate 4. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House Budget	FY 23 SWM Budget
<b>4403-2000</b>	TAFDC	\$275,916,458	\$295,946,972	\$343,156,179	\$356,630,717
<b>4401-1000</b>	Employment Services Program	\$16,050,103	\$15,569,246	\$15,569,246	\$15,569,246
<b>4400-1979</b>	Pathways to Self Sufficiency	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>4408-1000</b>	EAEDC	\$102,738,779	\$122,156,849	\$137,236,350	\$140,645,184
<b>4405-2000</b>	State supplement to SSI	\$205,280,784	\$202,839,098	\$209,839,098	\$209,839,098
<b>4400-1020</b>	Secure Jobs Connect	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
<b>4403-2008</b>	Transportation Benefits for SNAP Path to Work Participants	\$500,000	\$500,000	\$500,000	\$500,000
<b>4403-2119</b>	Teen Structured Settings	\$9,675,624	\$10,827,149	\$10,827,149	\$10,827,149
<b>4401-1003</b>	Two Generation Economic Mobility	\$2,500,000	\$2,500,000	\$3,500,000	\$0
<b>4400-1100</b>	Caseworkers Reserve	\$83,205,764	\$91,711,752	\$91,711,752	\$91,711,752
<b>4400-1000</b>	DTA Administration and Operation	\$67,297,970	\$72,372,247	\$72,461,201	\$72,372,247
<b>4400-1025</b>	Domestic Violence Specialists	\$1,790,076	\$1,964,605	\$1,964,605	\$1,964,605
<b>4401-1001</b>	Food Stamp Participation Rate Programs (SNAP)	\$3,873,032	\$3,694,680	\$3,994,680	\$3,994,680
<b>4400-1004</b>	Healthy Incentives Program (HIP)	\$13,000,000	\$5,000,000	\$10,000,000	\$12,000,000

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

- Senate Ways and Means proposes a 10% increase in TAFDC grants (4403-2000), starting April 2023 (almost a year from now).** The delayed effective date is stated in the line item. The Chair's letter and Executive Summary highlight the 10% increase but do not say it is delayed until next April. House and the Governor did not include any grant increase. The maximum TAFDC benefit for a family of three with no income is only \$712 a month, well below half the federal poverty level, also known as Deep Poverty. Deep Poverty is currently income below \$960 a month for a family of three. The current maximum grant of \$712 a month for three is the result of two historic increases enacted by the Legislature – a 10% increase effective January 2021 and a further 9.1% increase effective July 2021. But these increases were not enough to make up for a generation of frozen grants and have been wiped out by this year's extraordinarily high inflation. 26 Senators and 96 Representatives co-sponsored bills to increase grants to the Deep Poverty level. The bills are pending in the Ways and Means committees following a favorable report the Committee on

Children, Families, and Persons with Disabilities reported the bill favorably in February 2022.

- **Senate Ways and Means proposes \$356.6 million for TAFDC (4403-2000), compared with the House proposal of \$343.2 million and \$275.9 million for FY 22.** We estimate that between \$8 and \$9 million of the SWM proposal would cover the proposed 10% grant increase starting April 2023 and about \$3 million would pay for the proposed increase in the clothing allowance (see below). Most of the increased cost reflects Senate Ways and Means and House projections that the caseload, which has been going up, will go up even higher and will stay high in FY 23. The recent caseload increase is largely attributable to the end of pandemic unemployment benefits at the beginning of September. Families with children who had been relying on pandemic unemployment benefits for many months were suddenly without any source of income at all and applied for TAFDC. Many of these parents face substantial barriers returning to work:
  - Schools require kids to stay home if a child or child's classmate tested positive for COVID-19.
  - Childcare is still in very short supply. When it is available, frequent temporary closures often mean that it is not reliable enough for parents to work.
  - Some parents are suffering the effects of Long COVID or grieving loved ones they lost.

If these barriers ease in the coming months and there is no major resurgence of COVID-19, there is reason to expect that these parents will go back to work. However, it is not possible at this point to project what the caseload will be in FY 23.

- **Senate Ways and Means would increase the annual TAFDC children's clothing allowance from \$350 per child paid in September to \$400 per child (4403-2000).** Like the House, SWM would retain the longstanding provision that increased the standard of need in September by the amount of the clothing allowance, thereby allowing very low-income working families to qualify. The Governor proposed paying \$175 per child paid in September and another \$175 in March. This would have denied the clothing allowance to low-income families slightly above the usual standard of need. According to DTA, a few hundred families qualify for TAFDC in September because of the increase in the standard of need. There is a risk that paying the clothing allowance in installments would make it countable for SNAP, effectively reducing the value of the clothing allowance by more than \$100 a month per child.
- **Senate Ways and Means' proposal for TAFDC (4403-2000) includes language adopted several years ago removing the reduction in benefits for families in shelter.** The House also included this language, which the Governor omitted.
- **The line item for TAFDC (4403-2000) 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 House also included this language, which the Governor omitted.

- **The line item (item 4403-2000) also includes language, included by the House but omitted by the Governor, requiring the Governor to give 75 days' advance notice to the Legislature before cutting benefits or making changes in eligibility.** The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. In FY 10, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families headed by a severely disabled parent would not lose their TAFDC benefits. Like the House, the SWM line item also includes the current requirement, omitted by the Governor, of 75 days' advance notice before DTA proposes any changes to the disability standard. The line item, like the House, also includes a requirement omitted by the Governor that DTA tell recipients about their eligibility for childcare and includes prior years' language – omitted by the Governor – allowing DTA to make changes that lead to an increase in eligibility or benefits.
- **Transitional Support Services specified at “no less than \$1 million” (item 4403-2000),** like the House and Governor's proposals. 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 has been closer to \$1.6 million.
- **The Employment Services Program (ESP, item 4401-1000) would be cut from \$16.1 million to \$15.6 million and the Pathways to Self Sufficiency line item (4400-1979) would be level-funded at \$1 million.** These amounts are the same as the House and the Governor's proposal. Apparently, neither the budget writers nor the Governor expect DTA to provide increased services for the increased number of recipients they are projecting. The Governor projected ESP spending for FY 22 at \$17.8 million so the cut for this chronically underfunded program appears to be particularly unwarranted. SWM would fund the Young Parents Program; some education and training for TAFDC parents; the DTA Works Program (paid internships at state agencies); learning disability assessments; and job search services for parents with limited English proficiency. As in past years, the Governor does not propose any earmarks for ESP. Like the House, SWM would retain the current requirement that the Administration report on program outcomes; the Governor omitted this requirement.
- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$140.6 million, compared with the House proposed \$137.2 million and FY 22 projected spending of \$111.2 million.** Some of the increased funding (about \$4.1 million) would support a 10% increase in the maximum EAEDC grant starting April 2023. The maximum EAEDC benefit is currently \$364 a month for a single person as a result of increases in January and July 2021, which did not make up for years of frozen grants. 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. Most of the increased funding is based on projected increases in the EAEDC caseload, which has grown substantially starting in October 2021, largely due to the elimination of asset limits for EAEDC (previously \$250 for a single person and \$500 for a couple). The Legislature eliminated asset limits in the FY 22 budget, but the Governor's vetoes delayed implementation. On October 1, 2021, DTA finally instructed staff to stop counting assets. Like the TAFDC line item, SWM's proposed EAEDC line item includes language – included by the House and omitted by the Governor – requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. The SWM line item also specifies that homeless persons shall receive the same basic grant as recipients who incur shelter costs. Like the House budget, SWM includes an outside section re-imposing an asset limit (\$2,000) on rest home residents whose stay is subsidized. Rest home residents with assets over that amount have to pay the full rate. The outside sections don't say whether any property – such as a home the resident hopes to return to or leave to family – is excluded from the asset limit.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$209.8 million**, the same as the House and \$7 million more than the Governor, because of a proposed \$7 million increase in the rates for residential care facilities and rest homes which are paid from this line item. The Governor proposed to spend less than \$202.8 million, about \$2.5 million less than the FY 22 appropriation and projected spending for FY 22.
- **Secure Jobs Connect (item 4400-1020)** would be level-funded at \$5 million, as in the House and Governor's proposals. This program provides employment support, job training and job search services for homeless or previously homeless families through community-based organizations.
- **Transportation benefits for SNAP Path to Work participants (item 4403-2008)** would be funded at \$500,000, like the House and Governor's proposals. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a work activity.
- **Increasing participation in SNAP (item 4400-1001).** SWM funds SNAP outreach at just under \$4 million, the same as the House, about \$300,000 more than the Governor, and \$100,000 more than FY 22. The line item provides funding 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. Young Parents

- **Teen Living Programs (item 4403-2119) would be funded at \$10.8 million**, the same as the House and the Governor and about \$1.1 million more than the FY 22 appropriation and FY 22 spending. We hope the increase reflects rate increases for staff at these programs.

- **Two Generation Economic Mobility Programs (4401-1003) would not be funded.** The House proposed \$3.5 million, \$1 million more than the Governor proposed. This is a grant program for parents between ages 14 and 24 experiencing trauma, mental health issues, and domestic violence.

### 3. DTA Administration

- **The DTA worker account (item 4400-1100) would be increased from \$83.2 million appropriated for FY 22 to \$91.7 million,** the same as the House and the Governor. The proposed amount, which is less than projected spending for FY 22 of \$92.4 million, does not appear to reflect an increase in the number of DTA workers. For the most part, DTA has done an admirable job implementing federal COVID flexibilities to manage the increased caseload and application rates that continue to be higher than pre-pandemic levels. However, the federal public health declaration is expected to sunset in 2022, causing DTA to lose some SNAP administrative options available during the pandemic. In addition, the current COVID boost in monthly SNAP will end, cutting SNAP by at least \$95 for all SNAP households (and by much more for about 350,000 households). We expect this precipitous drop in benefits to cause a flood of calls and a major increase in work for DTA. Plus, as of February 2022 the SNAP caseload was 687,608 households – 33% higher than before the start of the pandemic. Additional case managers are needed to explain the benefit changes, maintain customer service with the significantly larger caseload, reduce wait times and processing times, ensure accuracy, and help make sure DTA can respond to crises such as hurricanes or widespread winter storm power outages. Additional workers are also necessary to meaningfully address the “SNAP Gap.” Before the pandemic the Administration estimated there were nearly 700,000 individual MassHealth recipients with income below 150% of the federal poverty level who were likely eligible for SNAP but not receiving it. Failure to close the SNAP Gap leaves nearly \$1 billion in annual federal nutrition benefits on the table, not counting the extra SNAP provided during the COVID public health emergency. Starting in July 2022, people applying for or renewing their MassHealth online will be able to apply for SNAP at the same time. To ensure this new application option is successful, DTA will likely need additional staffing to timely process applications and close the SNAP gap.
- **DTA central administration (item 4400-1000) would be increased to \$72.4 million from \$67.3 million appropriated for FY 22.** The SWM dollar proposal is the same as the Governor’s proposal and slightly less than the House amount. The SWM line item also includes the FY 22 requirement, omitted by the Governor, that DTA submit a monthly report on program savings and revenues, caseloads, and collections, though some of this information is now posted by DTA. The SWM line item also includes current language, included by the House and omitted by the Governor, providing that an application for TAFDC shall also be treated as an application for MassHealth.
- **The “SNAP Gap” and Common Application.** Thanks to the Legislature’s inclusion of a SNAP Gap mandate in the FY21 and FY22 state budgets, the Baker administration is already actively taking steps to address the “SNAP Gap.” In July

2021, the MassHealth and Medicare Savings Program (MSP) paper applications were amended to allow individuals to file a SNAP “checkbox” application as they applied for or renew their health care. The Administration is making the final changes to MassHealth Connector in July to allow this SNAP checkbox application through the online portal. In terms of the more robust Common Application, the House FY23 budget includes an outside section that would amend the General Laws by adding a new section that requires the Administration to develop and implement *a secure common application portal* for multiple needs-based benefits including SNAP, cash assistance, childcare, housing subsidies, fuel assistance and other means-tested programs. The House provision would allow state agencies to share relevant client eligibility information and documentation to process benefits, with client consent. The House language would memorialize in state law not only the “SNAP Gap” but would be the final chapter in a long battle to de-silo state benefits, reduce duplicate data collection and increase the efficiency of state government. SWM did not include the Common Application language in its proposed budget.

- **DTA domestic violence workers (item 4400-1025)** would be funded at just under \$2 million, the same as the House. This is slightly more than projected spending for FY 22, likely reflecting increased wage and benefit costs.

#### **4. Additional Nutrition Item Administered by DTA**

- **The Healthy Incentives Program (HIP) (item 4400-1004) would be funded at \$12 million in the SWM budget, compared with \$13 million in FY23. The final House budget appropriated \$12 million.** Some amount of unspent FY 22 funding may be available for use in FY 23. HIP is a dollar-for-dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. HIP participation is especially high among low-income older adults, helping them to access locally grown food and decrease social isolation.

## Child Welfare:

### Department of Children and Families and Related Items

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House	FY 23 SWM
	Department of Children and Families	\$1.104B	\$1.19B	\$1.19B	\$1.19B
<b>4800-0015</b>	Clinical Support Services and Operation	\$115.3M	\$130.6M	\$130.6M	\$130.6M
<b>4800-0030</b>	Local/Regional Management of Services (Lead Agencies)	\$9M	\$9.5M	\$9.5M	\$9.5
<b>4800-0038</b>	Services for Children and Families (Family Foster Care)	\$300.3M	\$318M	\$318M	\$318M
<b>4800-0040</b>	Family Support and Stabilization Services	\$70.1M	\$72.8M	\$72.8M	\$72.8M
<b>4800-0041</b>	Congregate Care Services	\$307.8M	\$337M	\$337M	\$337M
<b>4800-0058</b>	Foster Adoptive and Guardianship Parents Campaign	\$750,000	\$750,000	\$750,000	\$750,000
<b>4800-0091</b>	Child Welfare Training Institute	\$2.8M	\$3.1M	\$3.1M	\$3.1M
<b>4800-0200 and 4000-0051</b>	Family Resource Centers	\$25.5M	\$24.8M	\$24.8M	\$28.8M
<b>4800-1100</b>	DCF Social Workers	\$265.3M	\$286.1M	\$286.1M	\$286.1M
<b>0930-0100 and 0930-0101</b>	Office of the Child Advocate	\$4.2M	\$3.6M	\$7.9M	\$7.9M

**1. Senate Ways and Means funds DCF at slightly over \$1.19 billion, an increase of \$90.2 million over FY 22.**

- Except where noted, the SWM child welfare budget closely tracks the Governor's proposals.

**2. Spending on placing children in the foster system would be increased by \$47 million, bringing total foster care spending to \$655 million.**

- This includes \$318 million for family foster care (item 4800-0038), and \$337 million for group (congregate) care (item 4800-0041) for children living in residential foster care facilities.
- It appears SWM has adopted the Governor's budget for spending on congregate care for children and youth in the foster system. EOHHS states that \$29.9 million of the Governor's congregate care budget (in item 4800-0041) is for the costs of its new congregate care network (CCNET) designed to achieve safety, permanency and well-being outcomes for 2,000 DCF-involved children, adolescents and young adults, and to align DCF services with the requirements of the 2018 federal Family First Prevention Services Act.



- However, it appears that many Massachusetts congregate care settings will not meet specified quality control and appropriateness of placement requirements of the federal Family First Act. To the extent that MA does not meet Family First requirements, the Commonwealth will not be eligible for federal (Title IV-E) reimbursement for the costs of more than fourteen days of the placements of many children who enter congregate care placements. **EOHHS projects that Massachusetts will lose \$12.9 million in federal (Title IV-E) reimbursements in FY 23 as a result of not meeting federal quality standards. This also means that many Massachusetts children who've been taken from their parents' care will live in group homes that do not meet federal quality control standards.**
3. **At the same time that Senate Ways and Means proposes a substantial increase in spending on foster care, it provides only a small increase of \$2.7 million in much needed services to keep children safely with their parents, bringing the small and underfunded Family Support and Stabilization account (item 4800-0040) to only \$72.8 million dollars.**
- Massachusetts and federal law require that protecting children by providing services to keep them safely with their families is the core mission of the Department of Children and Families. Yet, **many Massachusetts families that need and are eligible for services to keep their children safely at home or to reunify with their children in foster care don't receive these services because those services aren't adequately funded.**
  - **Over 87% of the children in DCF's caseload need family support and stabilization services to remain and return safely home with their parents, but the SWM budget would allocate only 10% of DCF's services budget to the services they need.**
  - **DCF plans to further reduce the funds in this overstretched line item that will remain available for the line item's purpose of keeping and returning children safely with their own families.** In a public Request for Information DCF distributed to plan for procuring these services, DCF made clear that it plans to use funds in this line item for purposes for which it was not intended. (See [DCF Support and Stabilization RFI](#), p. 6). It plans to do this by redefining the "family" these services would support to include not only the children's own family, but also foster and congregate care providers and others. As a result, this already underfunded line item would be used not only for its intended purpose of keeping children with their own families, but also to fund their foster system placements. **While all services to support youth are important and worthwhile, services to youth in out-of-home placements are supposed to be funded by the much larger line items already available for that purpose, so that the family support and stabilization line item can be preserved for its intended purpose of keeping families safely together.**
  - **Massachusetts is also leaving much federal funding on the table that is available for services to keep children safely with their families.** The 2018 Family First Prevention Services Act made open-ended federal reimbursement available to states to reimburse half the costs of the services they provide to keep children safely at

home and out of foster care. This could save Massachusetts not only the costs of these services, but the costs of the foster care placements they would prevent. **After two years of potential eligibility, DCF has only this year filed its plan to become eligible for federal reimbursements under the Family First Act. That plan, which DCF has not made available to the public, was created with no public input, including from families who will be directly impacted, and makes only limited use of federal reimbursement opportunities, thereby leaving greatly needed federal funding untapped for the families and children that need it in Massachusetts.**

4. **SWM maintains the important requirement in the FY 2022 budget (line item 4800-0038), that DCF file racial impact statements describing the racial impact of reforms intended to improve foster care, placement stability and permanency for DCF-involved children.** This requirement was enacted due, in large part, to legislators' concerns about the racial impact of DCF's potential use of predictive analytics (algorithms or actuarial tools) in predicting which foster children should be reunified with their families, despite the well documented disparate impact of such tools. DCF reported (in the [Child Advocate's March 2022 update to her David Almond Report](#) at p. 21) that beginning in July 2021, it began to implement Structured Decision Making, which it describes as a research-based actuarial tool for reunification decisions. However, DCF has not filed the required racial impact statement with the Clerk's office. **The need for racial impact statements is even greater now that legislators' primary potential concern appears to have become a reality.**
5. **SWM increases funding for Family Resource Centers (items 4800-0200 and 4000-0051) by \$3.3 million to a total of \$28.8 million. This is \$4 million more than the House final budget and the Governor's proposal.**
  - These community-based centers provide one of the few means by which families in crisis can voluntarily receive services to prevent abuse and neglect of their children before it happens. This is a cornerstone of responding to families' needs in their communities (referred to in public health language as primary prevention), and it minimizes unnecessary involvement with the child welfare system. Family Resource Centers can connect families to voluntary community and state services, educational programs and peer support. They also provide a mechanism for the juvenile court to refer families to community-based services in order to fulfill the requirements of the Children Requiring Assistance ("CRA") law for community-based services for families in need.
6. **SWM, like the House budget, would increase funding for social worker salaries (item 4800-1100) by \$20.8 million to \$286.1 million, and increase training (item 4800-0091) by \$264,410 to \$3.1 million.**
  - EOHHS says it is continuing to work towards a social worker weighted caseload ratio of 15:1 and providing clinical support and oversight to DCF social workers.
7. **SWM increases DCF's administrative account by \$15.3 million to \$130.6 million.**

**This is \$250,000 less more than in the House budget.**

**8. SWM, like the House and the Governor's proposal, increases the lead agency account (item 4800-0030) by \$488,429 to \$9.5 million.**

- Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves.

**9. The domestic violence line item would be funded at \$56.1 million.**

- Domestic violence services in this line item are preventive services that can help prevent abuse and neglect. They include beds for domestic violence shelter, supervised visitation, supports to victims of domestic violence, and salaries for DCF domestic violence staff.
- Although the House included other programs in this line item and a higher funding total, both the House and SWM fund core domestic violence and sexual assault services at \$56.1 million, an increase of \$5 million over FY 22 funding for these core services.

**10. Children's Advocacy Centers would be taken out of the DCF foster care line item (4800-0038) and funded in their own account (4510-0811) at \$3,000,000. This appears to be a substantial increase from total earmarked funding for Children's Advocacy Centers in the current DCF foster care line item.**

- The children's Advocacy Alliance which coordinates Children's Advocacy Centers in Massachusetts, describes them as child-friendly centers where a multidisciplinary team of professionals offer a coordinated response to allegations of child sexual and severe physical abuse. These teams include DCF workers, medical and mental health professionals, police officers and prosecutors and victim advocates
- The House would fund Children's Advocacy Centers in the domestic violence line item (4513-1136) at \$3.4 million.

**11. Funding for the Office of the Child Advocate (item 0930-0100), would be increased by \$3.7 million to \$7.9 million, an 87% increase.**

- SWM increases the Child Advocate's operating budget by \$185,557 for a total of \$4.4 million, but removes from that line item the responsibility for the state Center on Trauma and Wellness for which the current budget allocates \$1 million. The line-item language does not state what the additional \$1.2 million in funding for operational expenses is to be used for. It would also eliminate the reporting requirements that currently are included in this line item.
- In place of the \$1 million that had been allocated to the Trauma and Wellness Center in the child advocate's operating budget, SWM separately allocates \$3.5 million for

that Center in a separate line item (0930-0101) under the Office of Child Advocate's budget. The line-item language does not provide an explanation of the additional operational costs of this center that require an additional \$2.5 million allocation.

- If the Senate budget were enacted, the Child Advocate's office's budget would have grown by **1216%** over the seven years since this child advocate first entered the office in FY 15, and by \$3.7 million from FY 21 to FY 22 alone. **Lawmakers may want to seriously consider including mechanisms in these line items that allow the public and lawmakers an opportunity to examine outcomes for children and families that have resulted from the substantial investments already made and the purposes of new proposed investments.**
- For example, one of the several projects added in FY 22 to the Child Advocate's already long list of legislatively mandated activities included coordination of a pilot for an evidence-based mandated reporter training for educators. Data that would be useful to legislators and other stakeholders in evaluating the effectiveness of this pilot before expanding it includes whether the training reduced the documented egregious racial disproportionality in reporting by mandated reporters.

**12. SWM increases funding for court appointed counsel in child welfare and criminal cases in the Committee for Public Counsel Services account (item 0321-1510) by \$39.6 million.**

- Under outside sections 44 and 45, rates of compensation for counsel representing parties in care and protections cases will be increased from \$75 to \$85 an hour and for children in need of services cases from \$60 to \$65 an hour.
- Attorneys appointed by the courts are essential. In child welfare cases, they defend parents and children in Care and Protection and Termination of Parental Rights proceedings -- which determine whether parents will lose custody of their children to the state, potentially forever. In cases concerning Children Requiring Assistance, they can help divert children from the legal process to direct them to appropriate behavior, medical, mental health and other services.
- Outside section 46 would establish a Child and Family Legal Representation Trust Fund which the CPCS chief counsel would be authorized to spend for any of five different purposes including: providing pre-petition representation to DCF involved families in order to safely prevent their children being placed in the foster system, increasing representation in underrepresented communities, providing education advocacy, improving CPCS data and billing systems, and improving the quality of representation.

## Criminal Justice Reform

1. **Sections 47 and 49** of the SWM budget adopt the proposal to eliminate the fees required to be paid by persons on probation (**Section 47**) or parole (**Section 49**), as did the Governor's budget and the House budget. The obligation to pay these fees often works as a barrier to successful re-entry for persons who have been convicted of crimes. As a result of the operation of systemic racism, this population consists disproportionately of persons of color.

## Health Issues in MassHealth and ConnectorCare

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House	FY 23 SWM
<b>4000-0300</b>	EOHHS and Medicaid Administration	\$120,584,923	\$123,844,597	\$124,579,597	\$120,844,597
<b>4000-0500</b>	MassHealth Managed Care	\$6,048,311,781	\$5,332,060,744	\$5,532,060,744	\$5,530,060,744
<b>4000-0601</b>	MassHealth Senior Care	\$3,714,225,672	\$3,725,368,077	\$3,715,210,993	\$3,750,795,619
<b>4000-0641</b>	MassHealth Nursing Home Rates	\$395,400,000	\$395,400,000	\$435,400,000	\$470,400,000
<b>4000-0700</b>	MassHealth Fee For Service Payments	\$3,135,853,542	\$3,511,975,144	\$3,556,175,144	\$3,595,975,144
<b>4000-0880</b>	MassHealth Family Assistance Plan	\$448,183,863	\$325,501,115	\$325,501,115	\$325,501,115
<b>4000-0940</b>	MassHealth ACA Expansion Populations	\$3,675,946,600	\$2,855,462,041	\$3,233,462,041	\$3,233,462,041
<b>4000-0990</b>	Children's Medical Security Program (CMSP)	\$16,206,750	\$17,017,088	\$17,017,088	\$17,017,088
<b>1595-5819</b>	Commonwealth Care Trust Fund	\$35,000,000	\$35,000,000	\$50,000,000	\$35,000,000

### 1. SWM increases funding for MassHealth

- SWM proposes \$18.56 billion gross funding (\$7.19 billion net of federal matching funds) for MassHealth which now insures over 2.1 million people. This is over \$100 million more than the House recommendation largely based on higher amounts in three accounts, 4000-0601, 4000-0641 and 4000-0700 discussed below. Two accounts are lower in SWM than in the House primarily due to the omission of earmarks specific to providers and health plans that the House added to the Governor's proposed amounts in the MassHealth Administrative account (4000-0300), and the 4000-0700 MassHealth managed care account.
- In 4000-0641, both the House and SWM provide for increasing payments to nursing facilities, the House by \$40 million, and the Senate by \$75 million. Importantly, SWM provides for a rate add-on for direct care staff in the amount of over \$56 million and for \$18,750,000 tied to quality improvements. Nursing facilities are among many industries dealing with a critical workforce shortage, but increased rates are best tied to accountability for improving the safety and quality of care for the nursing facility residents and improving compensation and working conditions for direct care staff. It is not apparent what explains the SWM increase over the House in the MassHealth Senior Care account (4000-0601) or the MassHealth Fee for Service account (4000-0700).

- As with the House budget, the main differences between SWM and the Governor's budget reflect the extension of the federal public health emergency (PHE) into at least July 2022. Enhanced federal Medicaid funding and increased MassHealth enrollment are linked to the duration of the PHE by provisions of the Families First Coronavirus Response Act (FFCRA), which both protects MassHealth members from losing coverage during the PHE, and provides for 6.2% enhanced federal matching rate through the quarter in which the PHE ends.
- MassHealth estimates that approximately 700,000 individuals are protected in coverage due to the FFCRA, and will have their eligibility redetermined after the PHE ends. The federal Medicaid agency has advised state Medicaid agencies that they will have at least 12 months to return to normal operations after the PHE ends, and that Medicaid members must be allowed an opportunity to update information about their current circumstances before the agency makes a new determination about whether or not they are still eligible. The challenge ahead is to ensure that members who are eligible for benefits do not lose coverage for administrative reasons such as wrong addresses, and out-of-date information.

## **2. Medicare Savings Plan Expansion (Outside Sections 31 and 60)**

- In Section 31, SWM splits the difference between the Governor and the House both of which also proposed expanding the Medicare Savings Plan (MSP). The Governor recommended effectively raising the income upper limit from 165% FPL to 200% FPL; the House proposed raising it even further to 250% FPL. SWM takes the middle ground and proposes raising the income cap to 225% FPL. This expansion would be effective January 1, 2023. However, once again there is no proposal to further increase the MSP asset test.
- This proposed expansion builds on an earlier expansion of the MSP program that raised the upper income level for MSP from 135% to 165% of the poverty level, and raised the asset test to \$16,800 for individuals and \$25,200 for married couples. MSP helps low-income older adults and people with disabilities on Medicare by paying certain Medicare costs such as the Medicare Part B premium, now \$170 per month for most people, and entitles them to added federal assistance with Medicare drug costs.
- Like HWM, SWM anticipates that this MSP expansion will result in savings to the EOEPA Prescription Advantage Program, and the Health Safety Net. Outside section 60 authorizes the transfer of funds from these programs to fund the Medicare Savings Program.

While this expansion of MSP's income limit would be a significant step forward, ten other states have eliminated the asset test for MSP. By increasing the asset test, Massachusetts could significantly improve the economic security of older adults in the Commonwealth.

## **3. Children's Medical Security Program (4000-0990)**

- The Children's Medical Security Program (CMSP) provides a basic package of

primary care services to children and youth under 19 who do not qualify for MassHealth either due to immigration status or family income. SWM, like the House and the Governor, increases the CMSP appropriation in FY 23 compared to FY 22. 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 is pending this session to provide more comprehensive coverage for children regardless of immigration status. This legislation, H.1309/S.762, *An Act to ensure equitable health coverage for children*, would provide comprehensive coverage to over 30,000 children and young adults whose coverage is limited because of their immigration status.

**4. SWM includes a major increase and restructuring of hospital assessments to fund hospital performance incentives, and other MassHealth spending. (Sections 19, 32 and multiple other sections)**

- SWM like the House and the Governor proposes a significantly increased and restructured hospital assessment to pay for certain MassHealth spending under the 1115 demonstration such as performance-based hospital incentive payments rewarding improvements in quality and health equity. The hospital assessment is among the complex Medicaid funding mechanisms that states use to make up the non-federal share of Medicaid spending and maximize federal revenue. The proposed changes were developed in concert with the Massachusetts Health and Hospital Association and are contingent on federal approval.

**5. SWM does not follow the House's lead in expanding ConnectorCare eligibility**

- In section 52, the House proposed a two-year pilot program to extend ConnectorCare eligibility from 300% of the poverty level to 500% of the poverty level. There is no such pilot included in the SWM budget.
- The American Rescue Plan Act (ARPA) temporarily expanded both eligibility for and the size of federal premium tax credits until December 31, 2022. Unless Congress takes action to extend the temporary expansion beyond the 2022 calendar year, or states take action like the House budget proposal, fewer people will be able to obtain affordable coverage from the Health Connector in 2023. This [March 2022 Report](#) commissioned by the Blue Cross Blue Shield of MA Foundation analyzes the benefits to Massachusetts if Congress were to extend the ARPA provisions into 2023.

**6. SWM, unlike the House, would give MassHealth more authority to negotiate rebates (Section 30)**

- The SWM budget (Section 30) includes the authority the Governor has long sought authorizing MassHealth to directly negotiate rebate agreements for drugs not subject to the federal Medicaid Drug Rebate Program and for certain non-drug products such as durable medical equipment. As in past years, the proposal has the support of SWM but not the House.



## Homeless Services

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House	FY 23 SWM
<b>7004-0101</b>	Emergency Assistance	\$196,960,750	\$213,209,537	218,241,057	\$213,241,057
<b>7004-0108</b>	HomeBASE	\$25,970,612	\$56,911,201	\$59,411,201	\$56,911,201
<b>7004-0099</b>	DHCD Administration	\$7,771,502	\$8,811,761	\$8,811,761	\$8,811,761
<b>7004-9316</b>	Residential Assistance for Families in Transition (RAFT)	\$22,000,000*	\$80,000,000	\$140,000,000	\$150,000,000
<b>7004-0100</b>	Operation of Homeless Programs	\$6,233,744	\$7,168,363	\$7,168,363	\$7,168,363
<b>7004-0102</b>	Homeless Individual Shelters	\$57,855,000	\$83,255,000	\$100,000,000	\$83,255,000
<b>7004-0104</b>	Home and Healthy for Good Program	\$5,938,605	\$3,890,000	\$6,390,000	\$3,890,000

\* In addition to this direct appropriation, an additional \$4,725,768 was allocated from the Housing Preservation and Stabilization Trust Fund.

1. **Emergency Assistance (7004-0101) would be funded at \$213.2 million**, a decrease from HWM's budget and level funded of the Governor's FY23 Budget. 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 retains language added by the legislature 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 will be implemented so that children must not first sleep in cars, emergency rooms, or other inappropriate places before they can access shelter.
  - SWM removes HWM new eligibility category for the EA program, for applicants facing ongoing barriers due to being immunosuppressed or immunocompromised.
  - SWM does not include language from the FY22 budget that requires the establishment of an ombudsperson office.
  - SWM retains 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.
  - SWM removes language requiring DHCD to report quarterly to the Legislature on the number of families in shared placements for the purposes of social distancing,

isolation, quarantine or care for self or another family member related to the coronavirus.

- SWM retains language requiring DHCD to report quarterly to the Legislature about what is happening to families, including those denied shelter, and also requires quarterly reports about EA system capacity, numbers and reasons for entries and exits from the EA system, and total applications and denials.

**2. HomeBASE (7004-0108) would be funded at \$56.9 million,** a decrease over the HWM FY23 Budget. HomeBASE was created in FY 12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

- SWM retains the Governor's proposed increase of the HomeBASE benefit limit to \$20,000 in a 24-month period.
- SWM retains language that HomeBASE participants become ineligible if they exceed 50% of area median income for a period of six months.
- SWM retains the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing new eligibility restrictions or benefits reductions.
- SWM retains language obligating DHCD to provide timely reports to the Legislature.
- SWM 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.

**3. DHCD Administrative line item (7004-0099) would be funded at \$8.8 million,** matching the Governor's H2 and the House final proposed amount.

- SWM retains language requiring DHCD to promulgate and enforce regulations to clarify that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing.
- SWM retains language requiring DHCD to maintain in-person intake locations in the 10 offices that were open as of January 2022.
- SWM retains 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.
- SWM removes House final language authorizing neighborhood housing services corporations to use funds for repayment of loans made under the neighborhood housing services rehabilitation program.

4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) funding would be increased to \$150 million. RAFT is a homelessness prevention program.**
  - SWM proposes to cap RAFT benefits at \$10,000 over the fiscal year, and proposes reinstating the current RAFT cap of \$7,000 on July 1, 2023.
  - SWM retains language requiring DHCD to continue verification documents and processes in effect in FY 22 or fewer documents, and requires a short, simple application and minimal processing times.
  - SWM removes HWM language that would allow applicants who are “at health risk due to being immunosuppressed or immunocompromised” be eligible up to 60% area median income (AMI).
  - SWM retains language requiring DHCD to provide quarterly reports to the legislature about families who applied, were approved, amounts awarded, household income information, and reasons for assistance.
  - SWM retains language allowing DHCD to expend no less than \$3 million for recipients who fall under an expanded definition of “family” including unaccompanied youth, elders, persons with disabilities, and other households.
5. **DHCD homelessness operations account (7004-0100) would be funded at \$7.2 million, matching the Governor’s H2 proposal and House final budget.**
6. **Shelters and services for homeless individuals (7004-0102) would be decreased to \$83.2 million**
7. **Home and Healthy for Good program (7004-0104) would be decreased to \$3.8 million.** This program provides housing for chronically homeless individuals.

## Housing

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House	FY 23 SWM
<b>7004-9005</b>	Public Housing Operating Subsidies	\$85M	\$85M	\$92M	\$92M
<b>7004-9007</b>	Public Housing Reform	\$1M	\$1M	\$1M	\$1M
<b>7004-4314</b>	Public Housing Resident Service Coordinators	\$3M	\$3M	\$5M	\$5M
<b>7004-9024</b>	Massachusetts Rental Voucher Program	\$129.9M	\$129.9M	\$150M	\$154.3M
<b>7004-9030</b>	Alternative Housing Voucher Program	\$8.6M	\$8.6M	\$13.7M	\$13.7M
<b>7004-3045</b>	Tenancy Preservation Program	\$1.8M	\$1.8M	\$1.8M	\$1.8M
<b>7004-9033</b>	Rental Subsidy Program for DMH Clients	\$12.5M	\$12.5M	\$12.5M	\$12.5M

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides operating funds for state public housing, would be funded under SWM budget at **\$92 million**, the same as the amount passed by the House. **This is an increase of \$7 million over** last year's FY22 budget - an increase of just \$14 per apartment/per month.
  - SW&M also provides, as does the final FY22 budget and the House and the Governor's FY23 budgets, 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.
  - SWM included new language that "that no employee of a housing authority shall simultaneously be an elected executive officer within the same municipality in which the authority is located."
  - SWM did not include language that was included in the House budget that housing authorities operating elderly public housing must offer a first preference for elderly public housing units that are vacant to people 60 and older who are receiving a Mass Rental Housing Voucher. This language was included in the final FY22 budget, but not included in the Governor's FY23 budget.
  - 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 43,000 state public housing units. 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 ensure the units do not remain vacant because they are not up to code.
2. **Public Housing Reform (item 7004-9007)** would be **level funded at \$1 million**. The line item provides for funds to implement [chapter 235 of the Acts of 2014](#) which

includes technical assistance training for resident commissioners and tenant organizations. 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, done in partnership with resident leaders and the Massachusetts Union of Public Housing Tenants, supports residents as they contribute to creating stronger public housing communities.

3. **Public Housing Resident Services (item 7004-4314)** SWM provides **\$5 million for resident service coordinators in state public housing, an increase of \$2 million** over the Governor's FY23 budget and the final FY22 budget. \$5 million is the same amount passed by the House. Resident service coordinators provide essential support for people with disabilities, help seniors pay their bills, coordinate health clinics and food programs, and prevent evictions. Last year, the resident service coordinator program funded 58 resident service coordinators. A \$2 million increase would fund 30-40 new resident service coordinators.
4. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term project-based and mobile rental vouchers to approximately 10,000 low-income households for use in the private housing market.
  - SWM budget proposes \$154.3 million for MRVP. The House FY23 budget appropriates \$150 million. In addition, \$21.9 million in unspent FY22 funding can carry over into FY23. This brings the effective SWM total to **\$176.2 million** and the effective House amount to \$171.9 million. This is a **substantial increase** from the FY22 amount of \$129.9 million.
  - DHCD recently announced its intention to shift MRVP to a modified payment standard system similar to Section 8 assumed there would be no need for new budget language to accomplish this transition. However, the SWM budget explicitly creates a payment standard for MRVP that would revamp the MRVP rent system.
  - The SWM proposed **payment standard** for MRVP is complicated, advocates will have to study further, report back, and work on amendments. Of most immediate concern:
    - a) Unlike Section 8, SWM sets up a rigid payment standard range – from 100% of HUD fair market rent (FMR) *not to exceed* 110% of FMR. This strict limit would forbid housing authorities from allowing payment standards above 110% of FMR for fair housing purposes and expanding the usefulness of vouchers in high price areas with a low supply of available housing. Capping payment standards at 110% of FMR would also block housing authorities from implementing their legal obligation to increase payment standards as a reasonable accommodation for persons with disabilities;
    - b) Unlike Section 8, the SWM budget does not include the cost of tenant-paid utilities in the rent which will result in MRVP households paying much more than 40% of adjusted income for rent – especially now when utility costs have spiked.

- Similar to Section 8, SWM would allow MRVP tenants to pay more than 40% of adjusted income after the first year of occupancy.
  - Advocates will work on amendments to create a payment standard system that more closely parallels Section 8, that lowers MRVP tenant rents (including utilities), allows for payment standards over 110% of FMR, allows for small area FMRs, and more.
  - Advocates are also supporting a bill to codify MRVP in Chapter 121B of the General Laws rather than in each year's budget and incorporate needed reforms. See, <https://www.chapa.org/housing-news/hearing-on-strengthening-ma-rental-voucher-program-mrvp-oct-12-2021>.
  - SWM 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 reports submitted thus far have been incomplete because DHCD lacks the technology to compile the necessary data. DHCD hopes that several new systems will soon be available that would allow the department to better keep track of the information requested in the line item and more.
5. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. SWM, like the House, proposed funding of \$13.7 million, an increase of \$5.1 million.
    - SWM did not create a payment standard system for AHVP as it did for MRVP. As before, households would continue to pay not less than 25% or not less than 30% of net income for rent depending on whether utilities are included in the rent.
  6. **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 level-funded at \$1.8 million**. 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.
  7. **Department of Mental Health Rental Subsidy Program (item 7004-9033)**, which provides rental subsidies to eligible clients of the Department of Mental Health, **would be level-funded at approximately \$12.5 million**.
  8. **Outside Section: Enhanced Notice to Quit**

Outside Section 42 would make permanent certain temporary eviction notice policies that the legislature established and extended in response to COVID. (See Chapter 257 of the Acts of 2020, as amended by Chapter 20 of the Acts of 2021 and Chapter 42 of the Acts of 2022.) Outside Section 42 would amend Mass. General Laws Chapter 186 and continue to require landlords seeking to evict tenants for non-payment to provide tenants

with a specific form with the notice to quit. The notice to quit is the first notice that a tenant must receive if a landlord is seeking to evict them.

The form – like the current form developed by the Executive Office of Housing and Economic Development - must include at a minimum: documentation of any agreements between the tenant and landlord for the tenant to repay the landlord and information on rental assistance programs, applicable trial court rules, standing orders or emergency orders pertaining to evictions; and any relevant federal or state legal restrictions on residential evictions. The form must also prominently display the following statement: **“THIS NOTICE TO QUIT IS NOT AN EVICTION. YOU DO NOT NEED TO IMMEDIATELY LEAVE YOUR UNIT. YOU ARE ENTITLED TO A LEGAL PROCEEDING IN WHICH YOU CAN DEFEND AGAINST THE EVICTION. ONLY A COURT ORDER CAN FORCE YOU TO LEAVE YOUR UNIT.”**

The executive office of housing and economic development must develop the form, make it publicly available on its website and make the certain information on it available in the 5 most common languages in the Commonwealth – as it currently does now. No court having jurisdiction over evictions, in an eviction for nonpayment of rent, shall accept from a landlord an eviction summons or complaint for filing without proof of delivery of the form required under this section.

## Legal Services

Account	Description	FY 22 General Appropriation	FY 23 Governor's Budget	FY 23 House	FY 23 SWM
0321-1600	MLAC	\$35.00M	\$35.00M	\$41.00M	\$40.00M

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 \$40 million, a \$5 million increase over the FY 22 appropriation. MLAC is seeking an additional \$1 million increase (for a total of \$41 million), the amount of the House appropriation, to help meet the growing statewide demand for civil legal services.

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