

The House Ways and Means FY 14 Budget Proposal: Preliminary Analysis of Housing and Homelessness, Cash and Nutrition Assistance, Health, Child Welfare, and Child Care Items

April 11, 2013

On April 10, 2013, the House Committee on Ways and Means released its budget proposal for fiscal year 2014 (FY 14). This follows the Governor's budget proposal released in January, which is referred to as House 1, and precedes debate on the budget by the full House of Representatives during the week of April 22 and the Senate budget process in May. Proposed amendments to the House Ways and Means proposal must be filed 5:00 PM on Friday, April 12.

Homelessness Services (Pages 2-3): The House Ways and Means proposal fails to address the crisis of homeless children being forced to stay in places not meant for human habitation before they can receive emergency shelter. (For more information, go to www.mlri.org/OutInTheCold.pdf).

Housing (Pages 3-6): Programs were level funded by House Ways and Means with the important exception of the public housing operating account which was decreased by \$2 million from both the FY13 budget and the Governor's recommendation for FY14.

Cash Assistance and Nutrition (Pages 6-10): Instead of making long overdue changes to promote economic stability for very low income families and individuals, House Ways and Means eliminates the monthly \$40 rental allowance for families not living in subsidized housing, cuts funds for employment services, and completely eliminates transportation assistance, while proposing costly initiatives that purport to address fraud but would only further burden the agency and eligible families.

Health (Pages 10-13): House Ways and Means does not include funding proposed by the Governor to restore MassHealth adult dental services in January 2014, even though the state will begin receiving millions of dollars in enhanced federal Medicaid revenue starting in January 2014.

Child Welfare (Pages 13-15): House Ways and Means does not include language needed to follow through on the Legislature's commitment to ensuring that DCF's hearing system is timely and fair, and eliminated longstanding reporting requirements that have enabled the Legislature to monitor the services that DCF provides and its progress in addressing problems in its service delivery system.

Child Care, Other (Pages 15-16): House Ways and Means does not include any new funding for child care, leaving more than 50,000 children languishing on the waitlist. House Ways and Means reduces funding for the Massachusetts Legal Assistance Corporation and level funds a school transportation program for homeless children.

Homeless Services

1. **Emergency Assistance – Items 7004-0101 and 7004-0103: House Ways and Means took no new steps to prevent homeless children from having to stay in places not meant for human habitation before they can be placed in emergency shelter.**
 - The Emergency Assistance (EA) program provides emergency shelter to families who are homeless and whom the Department of Children and Families has verified have no other safe and stable place to stay. Due to new regulations issued by the Department of Housing and Community Development (DHCD) in September 2012, many homeless children and their families currently cannot access emergency shelter unless and until they become so desperate that they have slept in a place “not meant for human habitation.” As a result, since September, hundreds of children have had to sleep in emergency rooms, cars, outside, or in other inappropriate places before being eligible for shelter.
 - In spite of requests from medical providers, the Massachusetts Hospital Association, homeless families and their advocates, and many Representatives, House Ways and Means failed to include requested language that would make these children eligible for shelter *just before* they have to stay in unsafe places. In his letter to House members, the Chairman says that “To protect families in need of shelter, this budget requires that clients be granted presumptive eligibility, so that no family in an emergency situation will be turned away from shelter.” We are grateful that House Ways and Means included this long-standing language. **But the presumptive eligibility language is not new, and it does not protect those who have not yet stayed in a place not meant for human habitation, are on the very verge of doing so, but are not now eligible for presumptive placement.** New language is needed to fix this urgent problem.
 - **House Ways and Means would fund EA at \$106.5 million.** Item 7004-0101 is funded at just under \$97.5 million, while item 7004-0103, through which overflow motel rooms are funded, would receive \$15 million. This is \$29 million less than current FY 13 funding and is an amount that is likely to be insufficient. Language is included guaranteeing shelter providers a full 12-month contract.
 - **House Ways and Means would remove FY 13 language that denies up to \$4,000 of HomeBASE household assistance to families who are in shelter for more than 32 weeks.** This should help some additional families be able to move out of shelter, although, for many, \$4000 is not an adequate amount to sustain housing, unless they also are in receipt of a rental subsidy.
 - **House Ways and Means includes language saying that the Administration cannot impose new restrictions on shelter without giving the Legislature 60 days advance notice during FY 14.** In prior years, this language has given the Legislature time to ensure that access to shelter and housing assistance for children and their families is not unduly restricted.

- **HomeBASE (item 7004-0108) funding is greatly reduced, reflecting the large numbers of families who will lose rental assistance in FY 14 and likely become homeless again.** This program was created in FY 12 – at the Administration’s urging – and touted as a key to ending family homelessness. As authorized for FY 12, the program primarily provided up to 3 years of rental assistance – costing less per month than shelter – to families otherwise eligible for emergency assistance. In FY 13, the Administration and the Legislature decided to reduce the maximum amount of rental assistance to only 2 years and to issue no more rental assistance. Instead, families are now eligible for only \$4,000 over a period of a year to secure housing or stay housed, but the experience under HomeBASE in FY 12 and FY 13 shows that this type and amount of assistance is insufficient to enable the vast majority of homeless families to become and remain housed for a full year.
 - House Ways and Means would fund HomeBASE for FY 14 at just under \$58.8 million, a reduction of almost \$30 million from current FY 13 funding levels. Most of this decrease is likely due to the fact that thousands of families will begin reaching the end of their 24-month rental assistance term in August of 2013. House Ways and Means did remove language from the line item that would otherwise bar these families from receiving an additional \$4,000 of household assistance, although this amount of help is unlikely to prevent these very low-income families from becoming homeless again. House Ways and Means also removed from this item, as it did with the Emergency Assistance line item, language barring families who stay in shelter longer than 32 weeks from receiving household assistance until 12 months after they have exited shelter.
2. **Shelters and services for homeless individuals (item 7004-0102) would be cut by \$2.4 million from FY 13 to \$37.9 million.** The line item includes language saying that “programs that currently provide shelter may renegotiate how to use such program’s shelter fund, with the agreement of the department and the host municipality, to provide alternative services proven to be effective, including housing first models, transitional housing and diversion away from shelters.” What this will mean in practice is very unclear. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would receive an \$800,000 increase and be funded at \$1.2 million.** That line item includes a new earmark of no less than \$200,000 to establish a new supportive housing pilot program for unaccompanied homeless youth who identify as Lesbian, Gay, Bisexual or Transgender (LGBT).
 3. **The DHCD homelessness administrative account (item 7004-0100) would be funded at just under \$5.2 million,** a slight increase compared to FY 13.

Housing

1. **Public Housing Operating Subsidies (item 7004-9005)**, which help housing authorities meet the expenses of maintaining the state’s public housing units, **would be funded at \$62.5 million - a decrease of \$2 million from FY13.**
 - **House Ways and Means rejected the Governor’s proposal to increase this line item by \$2 million.** Without more funding, units in need of repair will continue to stay offline.

- **The House Ways and Means line item continues to direct the administration to make efforts to rehabilitate family public housing units that need less than \$20,000 in repairs,** whereas the Governor proposed focusing on units that need less than \$10,000 in repairs. These vacant units are vitally needed to address the lack of affordable housing and the critical problem of family homelessness. Recently, according to DHCD, there are approximately 1,734 vacant state-aided public housing units in Massachusetts, the majority of which are in various stages of turnover for re-occupancy. Over the past two years, as a result of incremental funding, approximately 400 vacant units have been and continue to be brought back online because of a concerted effort to preserve these units.
- **House Ways and Means included language from the FY13 budget requiring housing authorities to offer first preference for elderly public housing to elders receiving MRVP vouchers.** This language had not been included in the Governor's FY14 budget.

2. **The Massachusetts Rental Voucher Program (item 7004-9024),** which provides modest long-term rental subsidies to low-income tenants in the private housing market, **would be funded at \$46.5 million,** the same amount as the Governor's FY14 budget. Although this is an increase of \$4.5 million from FY13 budget, it is only enough to cover current costs and does not allow for badly needed expansion of the program.

- Income eligibility would be set at 50% of area median income, instead of 200% of federal poverty, as in the FY13 budget.
- House Ways and Means did not adopt the Governor's proposal to use up to \$1.16 million for an MRVP supportive housing program to provide a project-based voucher with supportive services to families with a child under age 21.
- House Ways and Means retained language from the FY13 budget that would require turnover mobile vouchers to be reassigned, but did not adopt a requirement that they be reassigned within 90 days, as the Governor's FY14 budget proposed.
- House Ways and Means adopted new language from the Governor's FY14 budget which provides that DHCD may assist housing authorities to implement a "homeless prevention program" for MRVP households at risk of displacement by public action. It is unclear what the effect of the provision would be or how many households would be eligible.

3. **The Rental Assistance for Families in Transition (RAFT) program (item 7004-9316) would be level funded at \$8.76 million.**

- As in FY 13, RAFT would provide up to \$4,000 in assistance to two categories of families: 1) ninety percent of the funds are for families with incomes not greater than 30% of Area Median Income who are homeless and moving into subsidized housing or at risk of homelessness, and 2) the remaining funds are for households with incomes between 30% and 50% of Area Median Income who are homeless and moving into subsidized housing or are at risk of homelessness because of a change in economic circumstances.
- House Ways and Means included reporting requirements to the Legislature and

Administration and Finance that were in the FY 13 budget, but which were not included in the Governor's FY 14 budget proposal. These include a report on procurement, on the role and funding of community action agency programs in the RAFT program, and a quarterly report to Ways and Means on program data, including the number of families approved for assistance, the income of families receiving RAFT, and amount of assistance awarded.

4. **The Alternative Housing Voucher Program (item 7004-9030) would be level funded at \$3.45 million.**
 - House Ways and Means provides, as in FY 13, a maximum administrative fee of \$25 per voucher per month.
 - House Ways and Means provides, as required in the FY13 budget, yearly reporting requirements from DHCD to the Legislature about the number of outstanding rental vouchers, and the number and types of units leased.
5. **Department of Mental Health Rental Subsidy Program (item 7004-9033) would be level funded at \$4 million.**
6. **The Tenancy Preservation Program (item 7004-3045), which helps preserve tenancies of persons with disabilities, would be level funded at \$350,000.**
 - TPP works with tenants, including families with children with disabilities, facing eviction as a result of behavior related to a disability and functions as a neutral party to the landlord and tenant. In consultation with the Housing Court Department, TPP works with the property owner and tenant to determine whether the disability can be reasonably accommodated and the tenancy preserved.
 - An 18-month study of TPP conducted by UMass Donahue Institute and released in 2011, documented that 1,419 residents were assisted by TPP statewide. Almost half (47.9%) of the cases were households with children.
7. **Housing Services and Counseling (item 7004-3036) would be funded at \$1,395,966, a decrease of \$100,000.**
8. **The general DHCD Administrative account (item 7004-0099) would decrease from \$7.29 million in FY13 to \$6.4 million.**
9. **Commonwealth Housing Management**, a new item in the Governor's FY14 budget in the amount of **\$5 million** to fund the establishment of his proposal for six regional public housing authorities to replace the existing 242 housing authority, was not included in the House Ways and Means FY14 budget.
10. **Outside Section 47 permits demolition or sale of approximately 75 scattered site or specialized public housing units that were vacant as of November 1, 2012** if the agencies administering those units determine that rehab is not feasible or that the units run by the Department of Developmental

Services (DDS) and the Department of Mental Health (DMH) are obsolete and inappropriate for the agencies' clients. DHCD has proposed to dedicate any sales proceeds to the capital needs of similar housing.

11. **Outside Section 49 would create a Housing Stabilization and Preservation Trust Fund** to be used at DHCD's discretion and without appropriation by the Legislature "only for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at-risk of becoming homeless." The Trust Fund's resources would come from any unexpended funds at the end of the fiscal year in the EA, HomeBASE, MRVP and RAFT accounts, plus other funds that might be added by the Legislature. DHCD would be required to submit an annual spending plan for these funds, to be approved by the Secretary of Administration and Finance. This proposal was also included in the Governor's FY14 budget.

Cash Assistance, SNAP and Related Items Administered by DTA

1. **A number of outside sections are intended to address the misperception that DTA programs are rife with fraud and abuse.** A recent State Auditor report for the first quarter of FY 2013 found SNAP fraud equal to about .125% (slightly more than 1/10 of 1%) of SNAP benefits, and TAFDC and EAEDC fraud equal to .283% (less than 1/3 of 1%) of cash assistance benefits.
 - **Section 15 would require a photo ID on electronic benefit transfer cards.** There is no evidence that photo ID reduces fraud and ample evidence that such requirements are not workable. Federal law requires grocery stores that accept SNAP would have to ask all non-cash customers for photo ID. Photo ID is also expensive, costing an estimated \$8 per card, compared with \$.23 for a card without photo ID. There would also be increased costs from requiring everyone to go to an office to get a photo, instead of handling applications on line and by phone, and providing multiple cards for each household member who is authorized to use the card. House Ways and Means does not propose any funding to implement photo ID.
 - **Section 86 requires DTA to consider business assets in determining eligibility for TAFDC** (cash assistance for families). Current rules do not count property that is essential to employment, such as tools, farm land, or a fisherman's boat. It is not clear why House Ways and Means proposes to count these assets, instead of following the lead of other states, the SNAP program, and MassHealth, which do not count assets at all to streamline eligibility and promote asset development. Studies show that very few families whose income is low enough to qualify for assistance have substantial assets.
 - **Section 86 requires DTA to obtain proof of income or assets of "unverified applicants."** The intent of this provision is not clear; it may be referring to family members who do not have a social security number, are ineligible, and are therefore not applying for benefits for themselves. DTA already secures proof of the income and assets of these household members.
 - **Section 86 requires DTA to consider the income and assets of "responsible relatives."** The intent of this provision is not clear. Under state law, parents are responsible for dependent children and spouses for each other. Their income and assets are counted if they

live with a child for whom assistance is being requested. Noncustodial parents are liable for child support; support that is paid is taken into account in determining the custodial family's eligibility for benefits. If the intent is to count the income of grandparents and other relatives who have taken on care of a minor child, the impact on the foster care system of loss of kinship care placements will be substantial.

- **Section 86 requires landlord statements to be signed under pains and penalties of perjury.** Sometimes a statement from a landlord is the best proof of residence and rental obligations. We have seen no evidence that these statements are not accurate. There is no precedent for requiring a statement under penalty of perjury from a person who will not directly benefit from signing such a statement. Landlords who perceive no benefit to themselves may refuse to sign statements under penalties of perjury shutting off this important source of information for DTA.
- **Section 87 prohibits DTA from using numeric identifiers other than a social security number for more than 6 months.** This would make it much harder for DTA to track household members who cannot get a social security number, such as battered immigrants with a pending petition for legal status under the Violence Against Women Act.
- **Section 6 would create a new Bureau of Program Integrity within EOHHS and Section 85 would require it to review DTA management operations to make recommendations to reduce fraud.** Section 85 would also require the new Bureau of Program Integrity to make recommendations on a filing system for DTA offices. Note that for several years item 4400-1001 has directed DTA to fund a system to image and catalogue DTA documents electronically, but it has not done so.

2. **House Ways and Means also proposes several provisions to integrate eligibility systems and share data between agencies.**

- **Section 5 directs EOHHS to establish and maintain an integrated eligibility system for EOHHS programs, which include SNAP and cash assistance.** Massachusetts is one of only five states with separate intake and eligibility for Medicaid and SNAP. As required by federal health reform, Massachusetts plans to implement an integrated eligibility system for the state's health programs by January 2014 and to add cash assistance and SNAP to the system in 2015. House Ways and Means focuses almost exclusively on integrated eligibility and data sharing to deter fraud and does not require EOHHS to use the data as federal health reform intended to streamline eligibility, provide one point of application for several programs, and reduce paperwork and documentation burdens for clients and workers.
- **Section 88 would require DTA and the Dep't of Elementary and Secondary Education to develop a system to verify school attendance.** This could be helpful to assure that children receiving SNAP or cash assistance are automatically enrolled in the free school meals program as federal law requires. It could also be helpful in verifying school attendance for Learnfare, which reduces TAFDC benefits if school attendance is not verified. It could be problematic if the information is inaccurate or not up to date, particularly for children who move between school districts. Any system that leads to sanctions must be carefully tested for accuracy before implementation.

- **Section 89 would establish a task force to investigate fiscal and other issues related to a common eligibility standard.** The task force does not include the Secretary of EOHHS, DTA, the Division of Medical Assistance, or any consumers of these programs.
- **Section 91 requires EOHHS to report to Ways and Means on the status integrated eligibility and the progress on data matching with other state agencies.**

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

- **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at only \$306.2 million, \$9.2 million less than the FY 13 appropriation, and the monthly \$40 rent allowance for families not living in subsidized housing has been eliminated.** This very large reduction is accounted for in part (\$7.5 million) by the elimination of the \$40 monthly rent allowance for some TAFDC families. The value of TAFDC grants has been reduced by nearly half since 1988; the last increase occurred in 2000. The elimination of the rent allowance will make it that much more difficult for TAFDC families to remain housed.
- **The Employment Services Program (ESP, item 4401-1000) would be funded at only \$5 million, \$2.1 million less than FY 13 funding.** This program, funded at \$15 million in FY 11, and more than \$36 million in FY 02, is funded at only \$7.1 million for FY 13. Currently, the program funds the Young Parents Program; some education and training for TAFDC parents; the DTA Works Program (paid internships at state agencies); no more than \$40 a month in transportation assistance for recipients in education, training or job search; GED testing; learning disability assessments; and job search services for parents with limited English proficiency. House Ways and Means earmarks \$3 million in funding for the Young Parents Program (a cut of more than \$250,000 from current spending) and \$2 million for education and training programs (a cut of \$1.2 million from current spending). All of the other programs including transportation assistance would be eliminated if the House Ways and Means proposal is adopted.
- **Clothing allowance amount set at \$150 per child.** Unlike House 1, House Ways and Means would also raise the standard of need when the clothing allowance is paid in September to allow very low income working families to qualify, as they have in past years.
- **The line item includes language requiring the Governor to give 60 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.
- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$92.6 million.** This is \$1.9 million more than final FY 13, but may not be enough for anticipated caseload increases. The line item includes language requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000), would be funded at \$232.7 million,** an increase of \$1.6 million over FY 13 projected spending for this account.
 - **The Supplemental Nutrition Program (item 4403-2007), which provides a small state food SNAP supplement to thousands of low income working families who receive federal food SNAP benefits, would be funded at \$1.2 million,** the same as House 1.
4. **Teen Living Programs (item 4403-2119) would be funded at \$8.7 million,** compared with final FY 13 funding of \$7.4 million after the Governor's 9C cut. This is the same as House 1 and is not enough to maintain the current number of beds.
5. **DTA administration**
- **The DTA worker account (item 4400-1100) would be cut to \$60.1 million,** compared with the FY 13 appropriation of \$60.9 million after the Governor's 9C cut and House 1's proposal of \$65.4 million. DTA is in the process of hiring additional workers with the hope of reducing SNAP caseloads to 700 and cash assistance caseloads to 150 cases per worker. These caseloads are still far too high. There is concern that the House Ways and Means proposal will not be enough to maintain the increased staffing. . Low income individuals and families currently experience unacceptable problems accessing mandated benefits.
 - **DTA central administration (item 4400-1000) would be increased to \$62.3 million, \$7.2 million more than FY 13.** DTA said that it would use part of a similar increase in proposed in House 1 to increase use of vendor payments (direct payments to landlords and utilities), to block certain ATMs and vendors from accepting EBT, to monitor requests for EBT replacement cards and impose a replacement fee, and to investigate SNAP trafficking. It is unfortunate that there are no increases to make long overdue improvements to DTA programs, address outdated rules, and improve service.
 - **House Ways and Means would provide \$2.9 million for SNAP (food stamp) processing and outreach (4400-1001).** This is slightly less than the FY 13 amount. Part of this account pays for a grant to Project Bread and other organizations that do SNAP outreach. These expenditures are matched dollar-for-dollar by the federal government.
 - **DTA domestic violence workers (item 4400-1025) would receive a very small increase to \$805,087.**

Nutrition Programs

1. **DTA administrative funding to process SNAP applications:** The SNAP program is fully federally funded but states are required to fund administrative costs, up to half of which are federally reimbursed by USDA. As discussed above, House Ways and Means increased DTA Central Office administrative funding (4400-1000) to implement a number of initiatives, but has lowered admin funding for front line case managers (4400-1100) from the FFY2013 appropriation. This funding is for staff who collect verifications, conduct interviews and then process SNAP applications and re-

certifications. The Ways and Means budget also continues funding of SNAP outreach and application assistance work (4400-1001). Some of the Outside Section restrictions – as discussed above - may create more barriers for otherwise eligible low income persons to access and use their SNAP and cash assistance benefits.

2. **The state subsidy for Elder Nutrition Programs (item 9110-1900) is level funded at \$6.3 million.** This program provides free or subsidized lunches for low income seniors provided through the local Councils on Aging.
3. **The state subsidy for the Women, Infant and Children's (WIC) program (item 4513-1002) is increased by \$400K to \$12.7 million.** The state WIC funding supplements the federal WIC program, which federal funding is subject to Sequestration cuts.
4. **The Massachusetts Emergency Food Program (MEFAP, item 2511-0105),** which supplements the federal TEFAP program funding, is level funded from FY2013 at \$13M.

Selected Health Issues in MassHealth and Commonwealth Care

1. **No funding to restore adult dental benefits in January 2014 as proposed in House 1**
 - **House Ways and Means does not include funding proposed by the Governor to restore adult dental services in 2014 (section 64).** The Governor's proposed FY 14 budget includes a mid-year restoration of adult dental benefits in January 2014 when other provisions of national health reform are also slated to take effect. The House Ways and Means budget in Section 64 instead authorizes adult dental benefits to be cut in FY 14 as they have been since FY 11. Dental is funded under various MassHealth accounts. The Governor's budget includes \$68 million for the 6-month restoration in MassHealth and \$3.3 million for people with income under 133 percent of poverty in the successor program to Commonwealth Care discussed further below. The House Ways and Means budget reduces the main MassHealth accounts by over \$200 million compared to House 1 (4000-0500, 4000-0600, and 4000-0700), and reduces the transfer from the General Fund to the Commonwealth Care Trust Fund by \$3.3 million (1595-1598). Adult dental benefits were cut in 2002, restored in 2006 and cut again in 2010. With millions in enhanced federal Medicaid revenue for the Commonwealth starting in January 2014, there will be a strong push to restore adult dental benefits in the House budget.
2. **Funding for MassHealth to be expanded for adults in January 2014 but with less support for related initiatives than in House 1.**
 - **House Ways and Means reduces funding in a new line item proposed by the Governor for the Medicaid expansion in 2014 (Item 4000-0940).** The Affordable Care Act provides enhanced federal funding for states that expand Medicaid to adults under 138 percent of the poverty level in January 2014. Approximately 325,000 adults will be eligible in this new adult coverage group. The new group includes individuals with income under 138% of poverty now enrolled in subsidized coverage through the state's Section 1115 waiver in

Commonwealth Care, the Medical Security Program (for people collecting unemployment compensation), and in MassHealth Basic and Essential (for chronically unemployed adults) as well as those now uninsured. The Governor proposed \$437 million for the new adult group and an additional \$24 million for several initiatives related to new forms of coverage. House Ways and Means reduces the funding for the new line item by \$11.7 million which together with the overall reduction in funding of the main MassHealth accounts by over \$200 million jeopardizes these initiatives. One of the Governor's initiatives that does not appear to be funded by House Ways and Means would have raised the income standard from 133 percent to 138 percent of poverty for individuals with disabilities who will otherwise be the only group under 65 still at 133 percent of poverty. Further legislation is expected in 2013 to end MassHealth Basic, Essential and the Insurance Partnership and create the new adult MassHealth group.

3. Sufficient funding for a state “wrap” of federal subsidies for new coverage to replace Commonwealth Care in January 2014. (1595-5819)

- **House Ways and Means provides for a transfer from the General Fund to the Commonwealth Care Trust Fund of \$467 million**, which is sufficient to continue Commonwealth Care for 6 months and to subsidize federal assistance to Commonwealth Care levels for 6 months. Commonwealth Care now provides coverage for adults not eligible for Medicaid with income up to 300 percent of the poverty level. Under the Affordable Care Act, in January 2014 these individuals will be eligible to purchase insurance through the Connector with federal assistance. However, federal assistance alone would not make coverage as affordable as Commonwealth Care. In 2012 the legislature authorized the Connector to provide additional state-funded subsidies to make the costs of the new forms of coverage comparable to Commonwealth Care. The House Ways and Means transfer does not include \$3.3 million needed to also restore adult dental for the lowest income individuals. An estimated 150,000 people will qualify for the state wrap at a cost of \$118.5 million in FY 14. Further legislation is expected later in 2013 to end the Commonwealth Care program.

4. Repeal of the Medical Security Program, and the employer Fair Share Contribution and transfer of the current employer medical assessment to a new Fund. (Sections 50, 51, 52, 100 and 101)

- House Ways and Means goes along with the Governor's proposal for a package of changes to the way employers contribute to health coverage for unemployed workers. The Medical Security Program, which provided insurance coverage to unemployed workers with income up to 400 percent of poverty would be repealed on December 31, 2013 (Sections 51 and 100). On January 1, 2014, unemployed workers will be eligible for either the new MassHealth adult group or subsidized coverage through the Connector. The employer assessment that used to support the Medical Security Program will be paid into a Medical Assistance Trust Fund for the support of MassHealth and Connector programs in 2014 (Sections 52 and 101). The Fair Share Contribution which was enacted as part of state health reform in 2006 to assess a penalty on employers who do not offer insurance will be repealed on July 1, 2013. (Section 50). With this change employers will continue to support affordable coverage for unemployed workers

5. **Less funding for MassHealth to administer benefits and more funding for audits (4000-0300, 4000-1602, 4000-0301, 4000-0315, Sections 6, 67)**
 - **House Ways and Means proposes no added funding for the main MassHealth Administrative account in FY 14 (4000-0300)** even though it acknowledges that implementation of the Medicaid expansion in the Affordable Care Act will substantially increase the MassHealth caseload and the administrative account has been declining as caseloads have grown over many years. The Governor had asked for a \$2.4 million increase in this account.
 - **House Ways and Means proposes \$2 million less than the Governor requested for the MassHealth operation account (4000-1602)** designed to address delays and backlogs at MassHealth. In December 2012 the average call wait time to get through to a MassHealth Enrollment Center was 20 minutes, and one-third of all callers gave up.
 - **House Ways and Means does follow the Governor's lead in increasing the audit and utilization review account** from \$1.7 million in FY 13 to \$4.4 million (4000-0301).
 - **House Ways and Means also creates a new account (4000-0315) funded at \$350,000 for a new Bureau of Program Integrity** (Section 6). The Bureau of Program Integrity would be within EOHHS but not subject to its control. Its director would be appointed by the Inspector General. Its duties would include seeking to prevent fraud, waste and abuse in all programs administered by EOHHS. Its duties would also extend to reviewing intake and eligibility policies for all EOHHS programs.
 - **House Ways and Means also authorizes the Inspector General's office in its own right to use the resources of its Health Safety Net audit unit to audit MassHealth.** (Section 67).
6. **House Ways and Means both mandates integrated eligibility systems among EOHHS programs and sets up a Task Force with no EOHHS membership to study the feasibility of common eligibility standards (Sections 5 and 89).**
 - **In Section 5, House Ways and Means directs EOHHS to establish a computerized integrated eligibility system.** To implement the Affordable Care Act, EOHHS has established an integrated eligibility system for insurance affordability programs operated by the Connector and Medicaid, however, the specific charge to EOHHS in this section does not appear to be consistent with the federal Act. For example it requires verification of income, asset and identity prior to distribution of benefits, but is not clear how this requirement applies to programs without such criteria (for example, most health programs have no asset test and would forfeit enhanced federal funding by adding one, and some health program rules require that benefits be provided pending verification of income. Further, there appears to be no added funding for the considerable expense of this undertaking.
 - **Section 89 creates a taskforce with no membership by EOHHS agencies, individuals served by EOHHS agencies or providers of services to such individuals to study the feasibility of common eligibility standards for all public benefits.**

Child Welfare

1. **House Ways and Means funds DCF at \$771.4 million, an increase of \$19.8 million over FY 13 appropriations (including supplemental allocations and cuts), but \$17.8 million less than the Governor proposed.**
 - The increases over FY 13 include additional funding of \$16.2 million to the group care account (4800-0041), \$6.8 million to the social worker account (4800-1100), and \$2 million to the services for children and families account (4800-0038). At the same time, HWM would eliminate all funding for the lead agency account (4800-0030) which the Governor had proposed funding at \$6 million.
 - Most of the Governor's proposed \$37.6 million increase to the DCF budget was to cover rate increases mandated by Chapter 257. Chapter 257 of the Acts of 2012, An Act Relative to Rates for Human Services Programs, requires EOHHS to establish a unified and reasonable rate structure for the providers with which its agencies contract. Given that the Governor's much larger proposed increase was mostly to cover increased rates, the smaller increase that HWM proposes appears to actually represent a reduction in funding for services.
2. **House Ways and Means eliminates important language in the FY '13 and FY '12 budgets that requires DCF to maintain a timely, independent and fair administrative hearing system. In addition, it eliminates a modest allocation to hire two additional hearing officers to clear the fair hearings backlog. It also eliminates the requirement that DCF report quarterly to the legislature on its progress in clearing its enormous fair hearing backlog.**
 - **Budget language ensuring that DCF's hearing system is timely, independent, and fair is necessary because the hearing system is massively backlogged and routinely deprives families of their due process rights in high-stakes hearings.** DCF's fair hearing system is the only means most families have to challenge high-stakes DCF decisions that can set them down the road to losing their children. Despite the vital importance of a well-functioning hearing system, DCF has a backlog of 1800 cases, routinely fails to hold hearings or issue decisions on a timely basis, and deprives litigants of basic due process hearing rights.
 - To address these problems, the legislature mandated that DCF revise its hearing regulations by October 3, 2011 to ensure that its fair hearing system is "timely, independent and fair." Sixteen months after the legislature's deadline, in February of 2013, DCF proposed revised regulations which would lengthen its time frames instead of reducing delays, and would maintain current provisions which violate due process requirements and the Massachusetts Administrative Procedures Act.
 - **Maintaining the current backlog reports and the modest allocation of \$152,000 for the two recently hired hearing officers is crucially important to ensure that DCF makes adequate and steady progress towards clearing its backlog.**
3. **HWM would eliminate longstanding reporting requirements in DCF's administrative account (4800-0015).** Important reporting requirements eliminated include: reports broken down by area

office on kinship guardianship subsidies granted, services provided, number of families living in shelter paid for by the department, and statewide reports on the number of children served by supervised visitation, the number of children who are reunified with their families, and the number of children in placement.

- Reports on services broken down by area office are necessary because services vary significantly from office to office. These reports enable the legislature to ensure that where a family lives does not determine what services DCF provides.

- 4. House Ways and Means would fund crucially important family preservation and support services (item 4800-0040) at \$44.6 million.** This is a modest increase of \$595,000 over current funding, but \$800,000 less than the Governor proposed. This level of funding would likely lead to a decrease of services. This is because DCF projects that an additional \$1.2 million from this account will be spent on chapter 257 rate reform.
 - In addition, HWM would maintain (in 4800-0015) DCF's ability to transfer up to 5% of funding between this account and the other two services accounts. In FY 12 the legislature prohibited any transfers of funds from 4800-0040 to protect against depletion of this under-funded account.
 - Family support and stabilization services receive a disproportionately small share of the DCF services budget, most of which covers the costs of out-of-home placement. Although 84% of the children under 18 in DCF's caseload need these family stabilization and support services to remain safely with, or return safely to, their families, only 9% of DCF's services budget is allocated to these services. Given that DCF estimates it will save \$5.2 million from a new federal Title IV-E waiver program, advocates for families seek \$48 million for this account in order to keep children safely with their families.
- 5. House Ways and Means would increase funding for social workers (item 4800-1100) by \$6.8 million to \$172.5 million. This is still slightly less than the Governor's proposal of \$172.8 million.**
- 6. Services to victims of domestic violence (item 4800-1400) would be reduced to \$21.1 million. This restores slightly over \$100,000 of the \$433,000 that the Governor cut in December of 2012.** This account funds vitally needed domestic violence shelter, visitation services, and supports to victims of domestic violence, and pays for DCF domestic violence staff. These preventive services are not restricted to DCF involved families, but are available to all individuals who are served by these provider programs. The proposed amount represents a \$2.3 million decrease from six years ago. This account needs additional funding to adequately meet the needs of families affected by domestic violence.
- 7. The Office of the Child Advocate (item 0411-1005) would be level funded at \$300,000. This is \$4,000 less than the Governor proposed.** This meager budget severely challenges the Child Advocate – a former juvenile court judge – in carrying out the ambitious mission that the Governor established and the legislature expanded.

8. House Ways and Means does not include the \$1.5 million that the Governor proposed to allocate to the Executive Office of Health and Human Services to fund a Family Access Network, an expansion of the family resource centers that DCF currently runs.

Child Care

1. **House Ways and Means does not include any new funding for subsidized child care.** Currently, there are about 40,000 children on the child care waitlist.
 - **Child care for current and recent recipients of TAFDC (item 3000-4050) would be funded at \$128.1 million, \$500,000 less than current projected spending.** The proposed line item does include a longstanding provision, omitted by the Governor, that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees.
 - **Income Eligible Child Care (item 3000-4060) would be funded at \$214.3 million, \$14 million below projected FY 13 spending.** Because of fund transfers from this account in FY 13, projected spending for FY 13 is about \$3.5 million less than the FY 13 budget provided.
 - **Supportive Child Care (item 3000-3050) for children referred by the Department of Children and Families would be funded at \$80.8 million,** slightly more than the FY 13 appropriation of \$77.3 million and projected spending of \$77.8 million.
 - **Head Start (item 3000-5000) would be cut by \$500,000 to \$7.5 million.**
 - **Funding to improve the quality pre-kindergarten programs and expand access (item 3000-5075) would be cut by \$2.4 million to \$5 million.**
 - **Grants for supports to schools and communities for early education (item 3000-7050) would be cut by \$2 million to \$16.2 million.**
 - **House Ways and Means does not include any of the five new accounts proposed by the Governor to improve child care access and quality.** These accounts would have added \$120 million in new child care funds for child care workers, professional development, infant/toddler and preschool care, quality improvements, and assessments of kindergarten readiness.
2. **Child care administration**
 - **Child Care Resource and Referral Agencies (item 3000-2000), which were severely cut several years ago, would receive \$5.9 million, the same amount as last year.**
 - **Section 14 would establish a new office for compliance management to review EEC oversight procedures.** Item 3000-1001 would provide \$200,000 for this new function.
 - **Section 95 establishes a special commission to investigate the need for early education funding and programming,** “including the possibility of trimming the budget through

targeted efficiency measures and public-private partnerships.” Item 3000-4065 provides \$150,000 for a consultant for this commission.

Other

- 1. Civil Legal Services Funding (0321-1600).** The Massachusetts Legal Assistance Corporation, which provides funding to legal services organizations who provide representation to low-income individuals and families in non-criminal matters, would be funded at \$11 million. This represents a decrease of \$1 million from the FY 13 appropriation and falls far short of meeting needs.
- 2. Transportation for Homeless Children (7035-0005).** This program to help school districts pay the costs of transporting homeless children to out-of-district schools as required by federal law was funded at \$6.05 million. The amount represents level funding from last year, following the Governor’s mid-year cut to this program.

