

The House Ways & Means FY 2015 Budget Proposal: Preliminary Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Health Care, Homelessness Services and Housing Items

April 10, 2014

On April 9, 2014, the House Committee on Ways and Means released its budget proposal for fiscal year 2015 (FY 15). The bill number is House 4000. MLRI offers this preliminary analysis of selected budget topics impacting low-income residents of the Commonwealth.

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

- 1. Transitional Assistance for Families**
 - TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at \$251.7 million, over \$50 million less than the FY 14 appropriation.** The caseload has been coming down as the recession ameliorates (and perhaps also as more families face bureaucratic denials of benefits). Like the Governor, House Ways and Means does not propose to invest any of the savings from the declining caseload in a long-overdue grant increase. **Even worse, House Ways and Means does not include the \$40 per month rent allowance, which for many years has been paid to families who pay private, unsubsidized rent.** The

\$50 million is enough to cover the \$40 rent allowance, and also raise the basic grant by about \$70 per month.

TAFDC grants were last raised in July 2000. Grants have lost nearly half their value to inflation over the last 25 years. The maximum grant for a family of three with no income (including the rent allowance) is \$618 a month, only 37% of the federal poverty level. Such low grant levels are a factor in the increasing numbers of homeless families. In addition, some domestic violence victims stay with or return to their abusers because they cannot otherwise afford to feed and house their children. Most recipients of TAFDC are children; the extreme poverty they experience puts them at real risk of permanent harm, including negative health effects and developmental delays. In addition to helping our communities by helping our neediest families, Transitional Assistance – every penny of which is spent locally on rent, food and other necessities –helps our local economies. Because of the “multiplier effect” of the grant increase, it would generate an estimated \$68 million per year in economic activity.

- **Clothing allowance amount set at \$150 per child.** Unlike the Governor, House Ways and Means, as in past years, includes the clothing allowance in the standard of need in September.
- **The House Ways and Means line item includes language requiring the Governor to give 60 days’ advance notice to the Legislature before cutting benefits, making changes in eligibility, or revising the disability standard.** In FY 14, the Legislature required 75 days’ advance notice. The Governor did not provide for advance notice. 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.

2. Other cash assistance

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$87.6 million,** \$5.5 million less than the FY 14 appropriation. The EAEDC caseload is going down, but not as dramatically as the TAFDC caseload. An increase in EAEDC benefits is long overdue: grants were last raised in the 1980s. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of any grant increase for some EAEDC recipients. House Ways and Means provides for 60 days’ advance notice before the Administration adopts benefit or eligibility changes; the Governor had omitted this language.
- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$235.3 million,** an increase of \$1.2 million over the FY 14 appropriation for this account.

3. Other DTA programs and benefits

- **The Employment Services Program (ESP, item 4401-1000) would be funded at only \$5 million, compared with \$7.7 million appropriated in FY 14.** The proposed amount is also less than half of FY 11 funding and less than one-seventh of the \$36 million appropriated in FY 02. The Governor proposed \$7.4 million. House Ways and Means, like the Governor, would also eliminate the earmarks for this account. 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; learning disability assessments; and job search services for parents with limited English proficiency. Without earmarks, there is a real risk that Administration would not allocate any funds for transportation and would cut education and training even further. The pending welfare bills would add additional funds for job placement for TAFDC recipients, but no funding to help recipients get the education and training they need to get jobs and no funding for transportation or other work supports other than child care.
- **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 FY 14.
- **Teen Living Programs (item 4403-2119) would be funded at \$9.2 million,** the same as FY 14. The pending welfare bills would increase this funding by a small amount so that teens could access these programs during any stage of pregnancy, instead of having to wait until their last trimester as they do currently.

4. DTA administration

- **The DTA worker account (item 4400-1100) would be funded at \$63.8 million,** slightly more than FY 14 funding (including a supplemental appropriation) of \$62.2 million. Community-based organizations have reported an increase in benefit delays and increased difficulties reaching caseworkers because front line workers' caseloads are too high to serve them.
- **DTA central administration (item 4400-1000) would be decreased to \$61.1 million,** \$3.5 million less than FY 14 funding (including a supplemental appropriation). DTA has used recent increases to this account to implement photo EBT, 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.
- **House Ways and Means provides \$3 million for the SNAP (food stamp) processing and outreach line item (4400-1001),** which was funded at \$2.9 million for FY 14. 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. The Governor's budget did not propose any funding for this account.

- **DTA domestic violence workers (item 4400-1025) would receive a small increase to \$920,000.**

5. Other Nutrition Programs (Not Administered by DTA)

- **DTA administrative funding to process SNAP applications:** The SNAP program benefit is 100% 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 reduced DTA Central Office administrative funding (4400-1000), but did increase admin funding for front line case workers (4400-1100) above the FFY2014 appropriation. This funding is primarily for the staff that 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).
- **The state subsidy for Elder Nutrition Programs (item 9910-1900) is level funded at \$6.3 million.**
- **The state subsidy for the Women, Infant and Children's (WIC) Program (item 4513-1002) would be funded at \$12.5 million, a drop of \$115,000 from FY 14 spending.**
- **The Massachusetts Emergency Food Program (MEFAP) (item 2511-0105) is increased to \$15 million, a \$1M increase over FY2014.** This program, which supplements federal TEFAP funding, is administered by the Mass Department of Agriculture Resources (DAR).

Child Care

- **Child care for current and recent recipients of TAFDC (item 3000-4050) would be funded at \$133.5 million, an increase of more than \$5.4 million over the FY 14 appropriation.** Some of the increase may reflect rate increases for providers rather than increases in numbers of children served. The proposed line item includes 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 \$241.9 million, almost \$20 million more than projected FY 14 spending,** the same as the Governor's proposal. There are currently 40,000 children on the income eligible waitlist. The \$20 million increase may be the funding that House 2 says would be maintained for the 2,400 children removed from the waitlist this year thanks to the FY 14 waitlist remediation account (3000-4070). It is also possible that some of the increase reflects rate increases for providers. In either case, the increase to this account would not further reduce the waitlist.

- **A new line item (3000-4040) would provide \$7.5 million to reduce the income-eligible wait list.** The Governor would have provided \$15 million for child care geared to school readiness for infants, toddlers, and pre-school children on the income eligible waitlist. The \$7.5 million in the House Ways and Means budget would fund child care for about 850 children.
- **Supportive Child Care (item 3000-3050) for children referred by the Department of Children and Families would be funded at \$79.7 million** compared with the FY 14 appropriation of \$77 million and projected spending of \$78 million. Unlike the Governor, House Ways and Means includes current budget language that all children eligible for child care through this account shall receive it; the Governor would require EEC and DCF to develop a waitlist. Many families are denied child care despite the current budget language.
- **Head Start (item 3000-5000) would be level-funded at \$8.1 million.**
- **Funding to improve the quality of pre-kindergarten programs and expand access (item 3000-5075) would be kept at \$7.5 million.**

Child Welfare: Department of Children and Families, Office of the Child Advocate and Other Children's Services Issues

1. **DCF would be funded at \$812 million, an increase of \$25.4 million over FY 14 appropriations, but \$7.4 million less than the Governor proposed.** This increase is greatly needed but is likely not enough to ensure the safety and support of the children that DCF serves.
 - The HWM budget for DCF is still \$25 million below the FY 09 level. According to the Massachusetts Budget and Policy Center, when adjusted for inflation **the HWM budget is \$123 million, or 13%, less than the FY '09 budget.**
2. **House Ways and Means would provide \$526.4 million for the department's three services accounts,** (items 4800-0038, 4800-0040 and 4800-0041), an increase of \$22.1 million over FY 14. Language in the Administrative line item (4800-0015) allows DCF to transfer funds among these three services account.
 - Services for Children and Families (item 4800-0038) would be funded at \$265.4 million, an increase of \$14.2 million over FY 14.
 - The Group Care Account (item 4000-0041) would be funded at \$216.4 million, an \$8 million increase over the FY 14 appropriation.
3. **Family Stabilization and Support Services (item 4800-0040) would be level funded at \$44.6 million. This seriously underfunded account pays for the services needed to keep children safely at home.** These services are proven to keep children safe with their families which in turn prevents the trauma of separating children from their

families and sending them into the far costlier and already overburdened foster care system.

- **The vast majority --more than 76% -- of the families in DCF's caseload became involved with DCF because of neglect, not abuse.** Studies have established that risk to children caused by neglect, which is highly correlated with poverty, can be effectively addressed by family stabilization and support services, and that children whose families receive those services have better long term outcomes than children in foster care.
 - Of the over 34,000 children in DCF's caseload, 79% remain at home and another 8% are in foster care and need these services to safely reunify with their families. **Despite the fact that 88% of the children in DCF's caseload need family stabilization and support services to remain or reunify safely with their families, only 9% of DCF's services budget (4800-0038, 0040 and 0041) is allocated to these services.** Potentially sound policies such as DCF's differential response system, under which the less serious cases are assessed for services rather than investigated, depend on DCF's ability to deliver the services identified as needed.
4. **The Social Worker account (4800-1100) would be funded at \$180.3 million, the level the Governor proposed. This is an increase of \$7.3 million over the current budget, (which includes an increase of \$1.1 million in the March FY 14 supplemental budget).** It is hoped that this increase will be sufficient to fund the hiring of enough new social worker to bring caseload ratios to 15:1, as DCF negotiated with its union, and to more closely align DCF caseloads with national caseload standards promulgated by the Child Welfare League of America.
- Concerns remain as to whether this funding will be adequate to keep case ratios at the negotiated levels. Given substantial increases between December 2013 and January 2014 in screen-in rates, substantiation rates and Care and Protection case filings, **the number of caseworkers with caseloads over 20 has skyrocketed from 277 in December to 582 in January and over 700 currently** Caseloads vary considerably among offices. SEIU local 509, the DCF Social Workers Union, estimates that, at this point, 380 new social workers, 41 new supervisors and additional area program managers are needed to attain the agreed upon caseload rations. The Union estimates this would require additional funding of almost \$26 million, or almost \$19 million beyond what House Ways and Means would provide, to the social worker account, not including any additional funding for managers.
 - In order to keep children safe, whether at home or in foster care, social workers need the time to adequately monitor families, intensively manage those that present risk factors, and make sound decisions about whether a child can remain safely at home or needs to be removed.
 - **Outside section 15 would require that all DCF social workers be licensed as certified social workers within the first three years of employment.** It is unclear

how this would work for the many new social workers DCF must hire, and section 15 does not address how this requirement would work for existing social workers.

- In addition, the Child Welfare Training Institute, which will need to train the many new social worker due to be hired, receives an increase of only \$17,783. Presumably current social workers will also need to be trained on the many new policies currently being promulgated at DCF.
5. **DCF's administrative account (item 4800-0015) would be increased by \$3.5 million to \$74.6 million.** This is slightly less than the Governor proposed. The March FY 14 Supplemental budget had increased funding in this account by \$1.6 million.

House Ways and Means would eliminate all language requiring DCF to ensure that its high stakes administrative hearing system (known as the "fair hearing system") is timely, independent and fair. It would also eliminate the requirement that DCF report to the Legislature on its enormous fair hearing backlog.

DCF's fair hearing system has been plagued by enormous backlogs and other problems as a result of which families are routinely denied their due process rights to challenge DCF's decisions regarding their children. **As of its last report to the legislature DCF has a hearing backlog of over 1300 cases. Although the department has finally complied with the legislature's mandate to revise its fair hearing regulations, DCF's failure to report on the results of these changes, as required by the FY 14 budget, raises serious questions as to whether these revisions have brought about meaningful improvement.**

- **House Ways and Means would strip current and longstanding reporting requirements which the Legislature requires to fulfill its oversight responsibilities.** Of particular concern is the elimination of the requirement that DCF report on each area office's spending on services to keep children safely at home and on domestic violence shelter, the number of kinship subsidies each are office provided, what requests for voluntary services each area office received and where they referred people they couldn't help. This information is critical in assessing DCF's effectiveness in meeting its core functions.
- **DCF would be required to maintain existing services to youth who "age out" of the foster care system with no permanent family.** This is important for this population which is at great risk of moving from foster care into lives of poverty, crime, and unemployment
- **\$500,000 would be earmarked in this line item to establish a runaway pilot program to help identify at risk youth and provide preventative services to implement a new runaway recovery response.**

6. **House Ways and Means would eliminate funding for the lead agency account (item 4800-0030 currently funded at \$6 million.** Lead agencies are regional nonprofits that contract for services but do not provide services themselves.
7. **Services to victims of domestic violence (item 4800-1400) would be reduced by over \$1 million to \$21.8 million. According to the Massachusetts Budget and Policy Center, this represents a 17% decrease in the value of this line item since FY 09.** This account provides beds for 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. **Currently, the domestic violence shelter system is full and must turn away many domestic violence survivors who then turn to the Emergency Assistance system for shelter for themselves and their children. These cuts will further overburden both systems.**
8. **Funding for the Office of the Child Advocate (item 0411-1005), would be increased from \$304,100 to \$700,000. However, \$200,000 would be earmarked for the review and analysis of DCF's office management, recordkeeping, and background check procedures pursuant to outside section 99. This is a function that is unrelated to the purpose or expertise of the Office of the Child Advocate.**
 - It would be very useful, however, for an independent office to identify what data DCF must maintain and make publicly available to ensure DCF's accountability for achieving its core outcomes. It would also be useful to require that DCF report to the legislature on its maintenance of records of background checks on prospective foster and adoptive parents.
9. **Outside Section 57 would eliminate DCF's discretion to approve an adoptive or foster parent whose record includes any of a wide number of crimes, some of which do not bear on their ability to safely care for a child.** DCF's current background check process is designed to ensure that kin not be precluded from stepping up to care for relative children by old criminal records that can be shown to have no bearing on their ability to safely to care for these children.
 - Currently DCF has a rigorous process for applicants whose criminal records include a number of serious crimes, known as "Table A" crimes. Applicants who can produce written letters from their probation officers or an assessment from a mental health professional that they do not post an unacceptable risk to a child, then must also be considered under DCF's discretionary factors, which are similar to those listed in Section 57 (h), before they can be approved.
 - **Under outside Section 57, a foster care or adoptive applicant would be permanently barred if they or anyone in their household has a felony "involving violence" on their record.** However, a crime "involving violence" is undefined. Assaults and Batteries can be considered "crimes of violence" but they can be as trivial as throwing Jell-O, flicking a paper clip, or shooting a rubber band into the

face of a high school classmate decades earlier. Statutory rape, when the applicant was a youth, would also be a lifetime bar.

- **The “drug-related offense” ban sweeps in countless families, providing them no opportunity to demonstrate that the person who committed the offense has since been rehabilitated.** Note that there are tens of thousands of individuals whose drug-related convictions have been tainted by the state crime lab debacle. This provision would make matters worse for those individuals and their families and harm children in the process.
 - **Section 97** would require removing children from stable foster homes based on convictions of individuals whose cases were already properly assessed by DCF.
 - **The question remains where all these children will go if foster homes, and in particular kinship foster homes, are as drastically reduced as they would be under the sections 57 and 97.**
 - **The Child Welfare League of America will be making recommendations on improvements to DCF’s background check system based on its expertise in best child welfare practice around the country. It is important to wait to legislate in this area until this report is available.**
10. **Outside section 100 would require DCF to hire a licensed professional medical staff member in each of the department’s regional offices, and a medical director to oversee the medical staff members.** Medical staff would provide medical screenings for all children who enter the department’s care within 72 hours. **Outside section 100 does not specify where funding for these hires would come from.**
11. **Outside section 93 would require the Commonwealth’s chief information officer to develop, and report to the legislature before September 30, 2014 on progress in implementing, an “information technology strategic plan” for DCF** which would detail how several technological improvements, that DCF has recommended, could be accomplished. These needed improvements include providing social workers with portable communication devices to enhance communication, developing a platform to enter and access real time data about home visitation and related matters, and ensuring that photos of children in DCF’s care be uploaded into the MA statewide child welfare information system. **It requires DCF to spend available capital funds to make these upgrades.**

Selected Health Issues in MassHealth, the Connector and the Health Safety Net

1. House Ways and Means restricts MassHealth from restoring dentures or any other dental service not provided in FY 2014 through Outside Section 84.

- MassHealth reduced adult dental services to just preventive and emergency services in FY 11. In FY 13, fillings were restored but only for the two front teeth. In FY 14, the budget authorized a mid-year restoration of fillings for all teeth which MassHealth began implementing in March 2014. The Governor had proposed in his budget to allocate an additional \$8 million to restore dentures mid-year in FY 15. However, HWM's outside section 84 now would restrict MassHealth from improving the adult dental program beyond any services that were funded in FY 2014.

2. MassHealth expansion for 345,000 adults would be fully funded (item 4000-0940).

Under the federal Affordable Care Act (ACA) adults with income up to 133 percent of the poverty level became eligible for MassHealth on January 1, 2014 with an enhanced federal matching rate. Most of the 345,000 members projected for FY 15 were eligible for subsidized coverage under the state's Section 1115 Medicaid demonstration waiver before the ACA expansion took effect, many through CommonwealthCare. The Governor's budget estimated that an additional 58,000 members would become eligible under this expansion.

3. Necessary language omitted from Family Assistance line item 4000-0880

- HWM omits language that was included in House 2 and that is needed to authorize spending from the MassHealth Family Assistance account for certain lawful immigrants who are eligible for state-funded medical coverage pursuant to the General Laws. The House Ways and Means budget includes the same amount of funding for this line item as House 2 making it unclear what HWM meant by leaving out the authorizing language.
- One of the General Law references omitted provides for state-funded medical coverage for elderly and disabled legal immigrants with income under the federal poverty level who are not eligible for federal Medicaid. Budget language has authorized spending from the MassHealth Essential account for these elderly and disabled immigrants for the last 10 years. MassHealth Essential ended on December 31, 2013 and was replaced by other programs. House 2 added language authorizing spending for this group of legal immigrants to the line item for MassHealth Family Assistance one of the programs that replaced MassHealth Essential on Jan. 1, 2014.
- The other General Law reference omitted provides state-funded medical coverage for a small group of immigrants who are not eligible for health coverage through the

Connector including young people who are authorized to live and work in the US under the Deferred Action for Childhood Arrival (DACA) process, also known as Dreamers, and who do not have access to other affordable insurance.

4. The Governor’s proposal for a new Health Insurance Expenditure Fund to receive enhanced federal matching funds is not authorized.

- The Governor’s House 2 budget proposed to create a new fund to receive the enhanced federal matching funds for certain ACA-related Medicaid expenditures. The proceeds of the fund are “to support the financing of health insurance coverage for low-income residents of the commonwealth.” With this provision the enhanced federal match generated by MassHealth expenditures will be used for health-related purposes rather than simply go into the general fund. Several bills to set aside enhanced matching funds are pending in the current session, Senate 554 and House 1023. House Ways and Means does not create this special fund but would continue to send the enhanced federal matching dollars to the state’s general fund without a designated purpose.

Homeless Services

1. Emergency Assistance (items 7004-0101 and 7004-0103) for homeless families with children would be funded at \$135.15 million, approximately \$20 million less than projected FY 14 spending.

- The Emergency Assistance (EA) program provides emergency shelter to certain families who are homeless and whom the Department of Children and Families verifies have no other safe place to stay. In FY 13, the Department of Housing and Community Development
- (DHCD) implemented restrictions on access so that many families with children must be so desperate that they have slept *in a place not meant for human habitation* before they are eligible for shelter. The House Ways and Means proposal does not mandate changes to these restrictions, in spite of strong demand by medical providers, educators, and others working with homeless families to provide shelter to those “within 24 hours of staying in a place not meant for human habitation” so that children do not have to sleep in cars, emergency rooms, bus stations or other unsafe places before receiving shelter. (The House Ways and Means Budget also omits language in the RAFT line item that was adopted in FY 14 to keep these children safe. See RAFT discussion in the Housing section).
- **House Ways and Means would fund EA at \$135.15 million.** Item 7004-0101 is funded at just over \$120 million and item 7004-0103, through which overflow motel rooms are funded, would receive \$15 million. This is \$20 million less than current FY 14 funding and \$44.5 million less than the Governor’s House 2 proposal. Both amounts are likely to be inadequate and require supplemental funding during the fiscal year.

- **House Ways and Means retains important language requiring DHCD to place families who appear eligible and give them up to 30 days to obtain any reasonably required third-party verifications.** House 2 had proposed to eliminate this important protection.
 - **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 15.** 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.
 - As discussed in the Housing section below, the DHCD Administrative Account (item 7004-0099) contains an earmark of \$230,000 for the hiring of three more hearing officers to conduct EA appeals.
2. **HomeBASE (item 7004-0108) would be funded at just under \$26 million, a reduction of more than \$33 million, reflecting that almost all families will have reached the end of their 24 months of rental assistance in FY 14.**
- 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 to families otherwise eligible for emergency assistance. In FY 13, again at the Administration's request, the Rental Assistance benefit was reduced for current recipients to 24 months and no more Rental Assistance benefits were issued. Now families entering the HomeBASE program are only eligible to receive Household Assistance, a significantly lower assistance amount. The House Ways and Means Budget would increase the amount of HomeBASE Household Assistance families are eligible to receive from \$4000 to \$6000 per year. While an additional \$2000 may enable some families to afford housing, it is still insufficient to enable the vast majority of homeless families to become and remain housed for a full year.
 - The House Ways and Ways Budget, like the House 2 budget, would make only families who are eligible for EA shelter eligible for HomeBASE Household Assistance in FY 15, even though some families will be losing their Rental Assistance in late FY 14 and need Household Assistance in FY 15 to *avoid* becoming homeless again.
 - As with the EA line item, House Ways and Means retains important language stating that the Administration cannot impose new restrictions on the HomeBASE program without giving the Legislature 60 days' advance notice during FY 15.
 - **Shelters and services for homeless individuals (item 7004-0102) would be funded at approximately \$42.2 million,** a \$1.75 million increase over FY 14 funding. The **Home and Healthy for Good program (item 7004-0104),** which provides housing for chronically homeless individuals, **would be funded at \$1.8 million,** a \$200,000 increase from initial FY 14 appropriations and level-funding taking into account an FY 14 supplemental appropriation.

- **The DHCD homelessness administrative account (item 7004-0100) would be funded at just over \$5.8 million**, an increase of approximately \$100,000 as compared to FY 14.

Housing

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides housing authorities with operating funds to maintain the state's public housing units, would be **decreased from \$64.4 million to \$64 million**. The Governor's FY15 budget proposed \$64.3 million. At a time when the state is facing disturbing increases in homelessness among families, an increase in funding for a housing program that offers extremely low-income households permanently affordable housing is needed now more than ever.

In addition:

- Last year's budget required certain reporting requirements for housing authorities receiving operating funding, including reporting the number of uninhabitable units in need of repair, the number of uninhabitable units that could be restored for less than \$10,000, and the number of units that have been uninhabitable for longer than 60 days that do not have a waiver from DHCD. **House W&M does not include these reporting requirements**. Over the past three years, the state will have brought over 600 permanently affordable state public housing apartments back into use. These reporting requirements are critical in evaluating the continued progress of this effort.
 - As with last year's final budget, the **House W&M FY15 budget instructs DHCD to make every attempt to rehabilitate family public housing requiring \$20,000 or less in repairs**. House 2 instructed DHCD to rehabilitate family public housing units requiring only \$10,000 or less in repairs.
 - As with last year's final budget, the House W&M FY15 budget requires housing authorities operating elderly public housing to offer first preference for elderly public housing to elders age 60 years or older as of June 30, 2012 who are receiving MRVP vouchers. This language was not included in House 2.
2. **The Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)**, which provides long-term rental subsidies to low-income tenants in the private housing market, **would receive a very small increase from the FY14 amount of \$57.5 million to \$60.5 million**. This amount is disappointing and well below what is needed. Because it is insufficient to provide critically-needed additional vouchers for poor households, especially those experiencing or facing homelessness, housing and homelessness advocates are proposing that MRVP be funded at \$87.5 million and will continue that advocacy as the budget process continues.
 3. **The Alternative Housing Voucher Program (AHVP) (item 7004-9030)** would be **level funded at \$3.45 million**.

- This program is for non-elderly, disabled households and has been traditionally labeled as a “transitional” voucher program. While the Governor’s proposal for AHVP omitted the word “transitional” and instead referred to it as a program of rental assistance for this population, House W&M FY15 refers to this program as “transitional” and omits the reference that it is for non-elderly persons with disability.
 - As with last year’s budget, House W&M FY15 budget includes a requirement that DHCD submit an annual report to the Legislature on AHVP expenditures, the number
 - of outstanding rental vouchers, and the number and types of units leased. It did not add a provision, as the Governor’s FY15 budget did, barring any private right of action to enforce provisions of the item.
4. **The Tenancy Preservation Program (TPP) (item 7004-3045)**, a homeless prevention program which helps preserve tenancies of persons with disabilities, would be **level funded at \$500,000**.
- TPP is run by 6 regional provider agencies and is based in housing courts across the state. When very vulnerable individuals and families face possible homelessness as a result of behavior related to a disability (for example, mental illness, developmental disabilities, aging-related impairments), TPP clinicians address the reason for the eviction, identify needed services, develop a treatment plan to maintain the tenancy, and monitor the case as long as necessary.
 - In FY13, TPP directly assisted 552 households. Out of the 383 cases that TPP clinicians closed, homelessness was prevented in 335 cases. **The outcome was that in 87% of cases closed, the tenancy was saved and stabilized.**
 - TPP keeps vulnerable tenants in permanent housing and prevents them from having to live in a shelter, motel or the streets. **With a very modest increase of \$250,000**, TPP services could be provided to an additional 100 disabled households and could increase consultation services to at least 300 additional disabled households.
5. **The Residential Assistance for Families in Transition (RAFT) program (item 7004-9316)**, a homelessness prevention program for families with children or with a disabled family member, **would be funded at \$10.5 million, a \$500,000 increase from FY 14**.
- As in FY 14, RAFT provides up to \$4,000 for families who are homeless and moving into subsidized housing or at risk of homelessness, with priority to those who would otherwise require shelter services.
 - House W&M targets not less than 50% of RAFT funds to families with incomes not less than 30% of area median. This is a change from the FY 14 budget which required not less than 90% of funds be targeted to these extremely low-income families. But as in FY 14, these “requirements” are subject to DHCD’s discretion.

- House W&M budget, like the Governor's budget, eliminates language added in FY 14 through which \$500,000 of RAFT funds were used to provide temporary accommodations to homeless families not yet eligible for EA shelter, but who were within 24 hours of having to stay in an unsafe place. See Homelessness section for more details.
 - As in the FY 14, RAFT assistance is capped at \$4,000 in a 12 month period. House W&M allows a combined maximum of \$6,000 from RAFT and HomeBASE in a 12-month period. This is a change from the FY 14 budget which allowed not more than a combined total of \$4,000.
 - House W&M includes a new provision requiring DHCD to report to the Legislature on the involvement of regional Community Action Programs (CAPs) in the RAFT program and the potential for broader inclusion of CAP agencies in administering RAFT.
- 6. DHCD Administrative Account (item 7004-0099) is increased from the FY 14 amount of \$6.47 million to \$7.045 million.**
- House W&M budget adds \$230,000 to hire 3 housing appeals officers to reduce backlog of EA appeals and \$250,000 to implement and evaluate a homeless family preference in private multi-family housing.
 - We believe that House W&M intended to retain the requirement in FY 13 and 14 budgets that DHCD promulgate regulations ensuring that those in receipt of temporary housing subsidies retain any housing admissions priority for homeless and at risk households. However, there appears to be a clerical error and the provision is incomplete. We assume that this omission will be corrected as the budget process progresses.
- 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 increased by \$1 million from \$4.125 to \$5.125 million.**
- 8. Housing Services and Counseling (item 7004-3036), which provides grants to nine regional housing consumer education centers for housing services and counseling would be decreased by \$1 million from \$2.64 to \$1.64 million.**
- 9. Report Evaluating Health Issues, Costs, and Access to Health Care in Public Housing (Outside Section 99)**
- The House W&M FY15 includes an outside section (Outside Section 99) requiring the Center for Health Information and Analysis to submit a report evaluating the geographic concentration of morbidity, health costs, and access to care in public housing developments in Massachusetts. The Center is a state agency created to provide data and analysis for the systematic improvement of health care access in Massachusetts. The report, to be submitted to the Joint Committees on Public Health and Health Care Financing, must include: (1) evaluation of available data on insurance

coverage; (2) a description of the level of morbidity; (3) a description of health care utilization patterns; (4) an analysis of health care costs; and (5) options for interventions appropriate to improve access to effective and efficient health care for public housing residents, based on a review of national practices. The center may choose to study a limited number of public housing developments in consultation with the Chairs of the Joint Committee on Public Health. Our hope is that the limited number of developments will include both family and elderly/disabled developments in different regions throughout the state.

Legal Services

- **Massachusetts Legal Assistance Corporation (MLAC) (item 0321-1600),** Massachusetts Legal Assistance Corporation (item 0321-1600), which supports grants for civil legal aid programs that serve low-income individuals and families in Massachusetts, was level funded at \$13 million. This is \$1 million less than the Governor's proposed budget and \$4 million below MLAC's \$17 million request. Additional funding for MLAC is critical to help to meet the increasing statewide demand for civil legal services.

For more information, contact Margaret Monsell, mmonsell@mlri.org, who will direct your question to the appropriate MLRI Advocate.