

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

**May 16, 2013**

On May 15, 2013, the Senate 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 the House budget process that was completed in April, and it precedes debate on the budget by the full Senate during the week of May 20. Proposed amendments to the Senate Ways and Means proposal must be filed 3:00 PM on Friday, May 17.

**Homelessness Services (Pages 2-4):** The Senate Ways and Means proposal attempts to address the crisis of homeless children being forced to stay in places not meant for human habitation before they can receive emergency shelter by including new language in the RAFT homelessness prevention line item allowing up to \$500,000 of those funds to be used to provide temporary shelter to families before they have to stay in unsafe places. We are grateful for Chairman Brewer's acknowledgment that the current situation is "not humane or human," State House News, May 15, but we will be seeking additional language to ensure that families facing desperate situations are in fact protected by this proposed new system. (For more information about this crisis, go to [www.mlri.org/OutInTheCold.pdf](http://www.mlri.org/OutInTheCold.pdf)).

**Housing (Pages 4-6):** The Senate Ways and Means Budget gives a much-needed increase to the Massachusetts Rental Housing Voucher Program, but at the same time proposes a \$2 million decrease in public housing, one of the state's most important sources of permanently affordable housing for very low-income people.

**Cash Assistance and Nutrition (Pages 6-10):** Senate Ways and Means preserves a small \$40 a month transportation reimbursement for parents enrolled in education or training (cut from \$80 three years ago), while eliminating funds for TAFDC training programs. Senate Ways and Means does not include any of the House proposals that purport to address fraud but would instead only burden the agency and eligible families.

**Health (Pages 10-12):** Senate Ways and Means increases funding for many MassHealth accounts compared to the House but fails to include any restoration of adult dental benefits in January 2014, when the state will begin receiving enhanced federal Medicaid revenue. The House had designated FY 13 surplus fund balances to be used to restore coverage for dental fillings, and the Governor had proposed full restoration of adult dental services in January 2014.

**Child Welfare (Pages 12-14):** Senate Ways and Means slightly increases crucial funding for family stabilization and support services, but does not include language needed to follow through on the Legislature's commitment to ensuring that DCF's hearing system is timely and fair.

**Child Care (Pages 14-15):** Senate Ways and Means increases income eligible child care by about \$4.6 million. Far more is needed to make a significant dent in the waitlist where 50,000 children languish.

## Homeless Services

### 1. Emergency Assistance – Items 7004-0101 and 7004-0103 – Emergency Shelter for Families Experiencing Homelessness.

- The Emergency Assistance (EA) program provides emergency shelter to families who are homeless and whom the Department of Children and Families verifies have no other safe 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 the week ending May 10 alone, 14 families across the state had to stay in such places before being placed in shelter.**
- In spite of requests from many Senators, medical providers, the Massachusetts Hospital Association, homeless families and their advocates, Senate Ways and Means did not amend the EA line item to ensure that these families at imminent risk of staying in unsafe places receive EA shelter. **But, as referenced in the introduction to this Summary and discussed in connection with the RAFT line item below, Senate Ways and Means did include language in the RAFT line item (7004-9316) authorizing use of \$500,000 of RAFT funding to provide temporary sheltering arrangements for up to 7 days for those at such risk.** Amendments will be sought to require prompt referrals by DHCD of at-risk families to RAFT providers to ensure that these families are placed, and to give the Legislature 60 days advance notice if funding for this vital protection is running out. If a family still does not have housing after a RAFT-funded shelter stay, under current EA rules, the family should be eligible for EA shelter after the RAFT-funded stay ends.
- **Senate Ways and Means would fund EA at less than \$97 million.** Item 7004-0101 is funded at just over \$90.4 million, while item 7004-0103, through which overflow motel rooms are funded, would receive just under \$6.4 million. This is \$39 million less than current FY 13 funding and \$10 million less than the House proposal. Both amounts are likely to be inadequate and require supplemental funding during the fiscal year. Unlike the House, Senate Ways and Means does not guarantee shelter providers a full 12-month contract.

- Senate Ways and Means would retain FY 13 language that denies up to \$4,000 of HomeBASE household assistance to families who are in shelter for more than 32 weeks, **but would authorize DHCD to make exceptions to facilitate exits from shelter.** The House budget would remove the 32-week limitation altogether. Either approach should help some additional families be able to move out of shelter, although, for most, \$4000 is not an adequate amount to sustain housing, unless they also are in receipt of a rental subsidy.
- **Senate Ways and Means, like the House, 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.
- **Senate Ways and Means, like the House, 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 1 had proposed to eliminate this important protection.

2. **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.

- **Senate 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 and slightly less than the House amount of closer to \$59 million.** Most of this decrease is due to the fact that thousands of families will begin reaching the end of their 24-month rental assistance term in August of 2013, and without further assistance will become homeless once again. Senate Ways and Means would give these families a priority for new MRVP vouchers if the head of household is a person with a disability that interferes with the ability to otherwise sustain housing (see Housing below), but more needs to be done to prevent thousands of other families who are losing rental assistance from becoming homeless again. For more information about this urgent situation, see Metropolitan Boston Housing Partnership’s recent report “Safe at Home: The Families of HomeBASE” (May 2013), available at [http://www.mbhp.org/HomeBASE%20Report\\_Final.pdf](http://www.mbhp.org/HomeBASE%20Report_Final.pdf).
- Unlike the House, **Senate Ways and Means retains language barring families whose HomeBASE rental assistance runs out from receiving an additional \$4,000 of household**

**assistance after their rental assistance ends**, which will make the situation these families face even more dire, although this amount of help is unlikely to prevent most of these very low-income families from becoming homeless again. Senate Ways and Means did include in this item, as it did with the Emergency Assistance line item, language allowing DHCD to provide HomeBASE to families who stay in shelter longer than 32 weeks to help them exit shelter.

3. **Shelters and services for homeless individuals (item 7004-0102) would be essentially level-funded at \$40.25 million.** The line item includes language that was also included by the House 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 be level-funded at \$1.4 million**, whereas the House would fund it at \$1.8 million. Senate Ways and Means did not include a new earmark added in the House directing not 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).
4. **The DHCD homelessness administrative account (item 7004-0100) would be funded at just under \$5.84 million**, an increase compared to FY 13, perhaps reflecting the need for more workers to keep up with the number of homeless families seeking services.

## Housing

1. **Public Housing Operating Subsidies (item 7004-9005)**, provide authorities with operating funds to maintain the state public housing, **would be funded at \$62.4 million - a decrease of \$2.1 million from the final FY13 budget and \$2 million less than the House FY14 budget.** Without increased funding, tenants will face decreased maintenance and services and units in need of repair will continue to stay offline.
  - **Senate Ways and Means rejected language that was in both the final FY13 budget and House FY14 budget to make efforts to rehabilitate family public housing units that need less than \$20,000 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. Our hope is that this language will be reinstated.
  - **Senate Ways and Means included new and useful language requiring housing authorities to report on the number of uninhabitable units**, the number of uninhabitable units that could be restored for less than \$10,000, and the number vacant more than 60 days without a DHCD waiver.

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 \$57.5 million**, which is \$15.5 million more than last year's final FY13 budget and \$11 million more than FY14 House budget. This substantial increase will provide rental vouchers for roughly 1000 new households.
  - Unlike the House FY14 budget, Senate Ways and Means adopted the Governor's proposal to use up to \$1.16 million for an MRVP supportive housing program to provide project-based vouchers with supportive services to families with children under age 21.
  - Senate Ways and Means provides that by September 1, 2013, DHCD must develop a process for awarding new vouchers from the incremental amount of \$15.5 million that gives priority to families whose HomeBASE rental assistance is ending and who have a disability limiting their ability to maintain housing without assistance.
  - Income eligibility for new MRVP households would be set at 50% of area median income, instead of 200% of federal poverty, as in the FY13 budget.
  - Senate Ways and Means retained provisions from the FY13 and the House FY14 budget that would require turnover mobile vouchers to be reassigned
3. **The Rental Assistance for Families in Transition (RAFT) program (item 7004-9316) would receive a much-needed increase to \$11.1 million from \$8.76 million in FY 13 and the House FY 14 proposal.**
  - RAFT is a homelessness prevention program that generally provides up to \$4,000 in assistance to two categories of families: 1) 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) 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. Senate Ways and Means removed prior language that targeted 90% of the funds to those in the first category.
  - **Senate Ways and Means added new language to RAFT saying that up to \$500,000 "may" be used to provide temporary sheltering arrangements to families at imminent risk of becoming homeless.** As discussed in the Homelessness section, this is a potentially important step toward plugging the recently created holes in the Emergency Assistance shelter safety net, which are leaving families with children sleeping in cars and other unsafe places. **But additional language is required to ensure that families are in fact promptly referred to and placed through this new system.** In addition, we are hoping that language saying that the value of temporary accommodations reduces the \$4,000 maximum amount of RAFT and HomeBASE assistance that can be provided will be removed from the line item.
4. **The Alternative Housing Voucher Program (item 7004-9030) would be level funded at \$3.45 million.** AHVP provides vouchers to people with disabilities.

- Senate Ways and Means rejected yearly reporting requirements from DHCD to the Legislature about the number of outstanding rental vouchers, and the number and types of units leased. Both HW&M FY14 budget and FY13 budget included these useful reporting requirements.
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 receive a critically needed increase from \$350,000 in the FY13 and HW&M FY14 budget to \$500,000.**
    - 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) received \$3 million, a significant increase over the FY13 budget (\$1.5 million) and the HW&M FY14 (\$1.4 million).**
  8. **The general DHCD Administrative account (item 7004-0099) would decrease from \$7.29 million in FY13 to \$6.36 million.**
  9. **Governor's proposal to fund the establishment of his plan for six regional public housing authorities** to replace the existing 242 housing authorities was not included in either the House FY14 or Senate Ways and Means FY14 budget.
  10. **Outside Section 84 permits demolition or sale of 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. Outside section proposes to dedicate any sales proceeds to the capital needs of similar housing. DHCD informed MLRI that approximately 75 units would be affected by this Outside Section.
  11. **Housing Stabilization and Preservation Trust Fund** passed in the House FY14 budget was not included in the Senate Ways and Means budget.

## Cash Assistance, SNAP and Related Items

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

- **The Employment Services Program (ESP, item 4401-1000) would be funded by Senate Ways and Means at only \$4.3 million, compared with \$6.5 million in the House budget.** 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. The Senate Ways and Means and the House versions take opposite approaches on what should be funded. Senate Ways and Means provides \$460,966 to maintain the current \$40 transportation reimbursement to help TAFDC recipients to get to education, training or job search (but there is not enough funding to help recipients get to paid work), whereas the House provides no funding at all for transportation. Senate Ways and Means provides \$447,571 more than the House for the Young Parents Program and maintains current funding of \$50,000 for the DTA Works Program (paid internships at state agencies), while the House does not fund DTA Works at all. Senate Ways and Means would also maintain current funding of \$130,000 for programs funded through the Office of Refugees and Immigrants, whereas the House would increase that funding to \$530,000. Senate Ways and Means provides no other funding for education or training while the House budget provides \$3 million (a cut of nearly \$100,000 from current spending) for education and training programs other than those funded through ORI. Senate Ways and Means provides \$50,000 for learning disability assessments while the House provides nothing for these assessments. **We are pleased that Senate Ways and Means included transportation benefits, though \$40 a month is not nearly enough and the funding needs to be increased to allow payments to recipients doing paid work, as well as those in education or training.** We expect an amendment to be filed to increase transportation funding. The complete elimination of funds for education and training other than the small amount paid through ORI is troubling; a substantial increase is needed to provide longer term programs to help more recipients become economically stable.
- **The clothing allowance is set at \$150 per child in September,** the same as the House. Senate Ways and Means, like the House budget, 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.
- **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at only \$302 million, \$13.4 million less than the FY 13 appropriation.** With the recession ameliorating, the caseload has been going down and is expected to be substantially lower in FY 14 than in FY 13. Advocates have proposed capturing the savings from the declining caseload to increase grants over time (grants have lost nearly half their value to inflation since 1988, making it very difficult for families to remain housed); restore employment services, particularly transportation; and change outdated rules that make it hard for recipients to develop assets. Unfortunately, neither Senate Ways and Means nor the House budget makes the much needed improvements and both propose further cuts to employment services.
- **The TAFDC 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. The House budget also included this language. Senate Ways and Means, but not the House, would also require a report on the probable effect of any cuts.

- **Senate Ways and Means does not include language in the TAFDC line item requiring supplemental payments to monthly reporting households whose income goes down.** This language has been in the line item for many years to ameliorate the harm to families when monthly reporting rules cause a reduction in benefits even though the family's income has gone down. Other states have eliminated monthly reporting in order to reduce the burdens on working families.
  - **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$93.1 million.** This is \$2.4 million more than final FY 13, based on 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 \$236.5 million,** an increase of \$5.4 million over the FY 13 budgeted amount because of a projected caseload increase.
  - **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.
2. **Teen Living Programs (item 4403-2119) would be funded at \$9.2 million,** compared with final FY 13 funding of \$7.4 million after the Governor's 9C cut. This is not enough to maintain the current number of beds. The House budget provided only \$8.7 million.
3. **DTA administration**
- **The DTA worker account (item 4400-1100) would be funded at \$62.1 million,** compared with the FY 13 appropriation of \$60.9 million after the Governor's 9C cut, and the House budget amount of \$61.1 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. Low income individuals and families currently experience unacceptable problems accessing mandated benefits.
  - **DTA central administration (item 4400-1000) would be increased to \$61.3 million, \$6.2 million more than FY 13,** but less than House 1 and the House budget. The line item directs DTA to use its computer system to identify households who have a history of rent or utility delinquencies and to spend up to \$1.5 million on an enhanced vendor payment system for these households. The Senate Ways and Means budget also directs DTA to report on fraud investigations. This information is already in reports issued by the Bureau of Special Investigations. DTA said that it would use part of a larger increase 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 the



Governor, the House, and Senate Ways and Means do not provide funds for DTA to make long overdue improvements to its programs, address outdated rules, and improve service.

- **The Senate Ways and Means budget would provide \$3.2 million for SNAP (food stamp) processing and outreach (4400-1001).** This is slightly more than the FY 13 amount and the House budget. 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 \$890,620.**
4. **Senate Ways and Means does not adopt a number of House outside sections intended to address the misperception that DTA programs are rife with fraud and abuse.**
  5. **The Senate also does not propose a counterpart to the House budget provisions to integrate eligibility systems and share data between agencies.** DTA is already working on a number of data sharing initiatives. Recently, DTA worked with the Division of Unemployment Assistance to share data on UI claimants whose benefits are being reduced because of sequestration so that DTA can automatically increase their SNAP benefits and TAFDC if appropriate without the household having to request the increase or provide additional verification.
  6. **The Senate Ways and Means budget does not include a counterpart to the House section establishing a commission to study poverty in Massachusetts.** See House Consolidated Amendment K. An amendment may be filed in the Senate to add a provision for this commission, which is an excellent idea.

## 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. State admin funding is necessary for both case managers (line item 4400-1100) who process the SNAP and cash assistance applications and re-certifications, as well as for funding DTA Central Office (4400-1000) for management, training and operations. The Senate Ways and Means appropriations for DTA administrative costs are detailed above.
2. **The state subsidy for Elder Nutrition Programs** (item 9110-1900) continues to be funded at \$6.3 million, identical to the House budget and FY2013 appropriation. This program is administered by the Executive Office of Elder Affairs (EOEA) which distributes grants to 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 slightly by \$400K over FY2013 to \$12.6 million. The state WIC funding supplements the federal WIC program administered by the Department of Public (DPH); that federal WIC funding is at risk of reduction under Sequestration.

4. **The Massachusetts Emergency Food Program** (MEFAP, item 2511-0105), which supplements the federal TEFAP program funding, is also level funded at \$13M, identical to the House budget and the FY2013 budget. Food Banks have been seeking an additional \$3M over FY2013 to meet the growing demand on food pantries and community feeding programs.
5. **School breakfast program and summer food service** (line item 7053-1925) is funded at \$4.121M – which is \$275K less than the House budget of \$4.396M. The Senate budget fails to fund a special \$200K project for the universal school breakfast program as well as \$75K for a special summer food service program under Project Bread. School breakfast and summer food service are administered by the Department of Early and Secondary Education (DESE).

## Selected Health Issues in MassHealth and Commonwealth Care

1. **No funding for even partial restoration of adult dental benefits in January 2014.**
  - **Senate Ways and Means does not include funding to restore adult dental services in 2014 (section 111).** The Senate continues authorization for MassHealth to restrict adult dental benefits in FY 2014 as it has since FY 2011. The Governor’s proposed FY 2014 budget includes \$72 million for 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 provided funding for a partial restoration of adult dental by designating \$17.2 million from FY 2013 surplus fund balances to cover dental fillings. (In FY 2013, the budget had restored coverage for fillings for only front teeth). Adult dental has often been the target of budget cuts. It was cut in 2002, restored with state health reform 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 at least restore sufficient funds to cover fillings in MassHealth and for low income enrollees in the Connector.
2. **Sufficient funding for MassHealth to be expanded for adults in January 2014 but still not full support for related initiatives.**
  - **Senate Ways and Means increases funding in a new line item for the Medicaid expansion for adults in 2014 compared to the House (Item 4000-0940).** The Affordable Care Act (ACA) provides enhanced federal funding for states that expand Medicaid to adults under 138 percent of the poverty level in January 2014. Senate Ways and Means goes along with the House by including \$437 million to cover approximately 325,000 adults who will be eligible in this new MassHealth group, including 136,000 transitioning from other types of MassHealth that will be ending in January 2014. Where the budgets differ is in funding for four ACA related initiatives for which the Governor sought an added \$24 million. The Senate includes funding to extend a new income methodology to disabled adults under 65, to extend coverage to “aliens with special status” who will not be eligible for the Connector, and to standardize coverage for pregnant women. However, it does not include funding to extend MassHealth to the end of the month when coverage ends. This change was designed to avoid gaps in coverage when an increase in income moves a MassHealth member into the Connector where coverage can only begin on the first of the month. The House favored a

different mix of initiatives; it included funding for coverage to the end of the month, and standardized benefits for pregnant women. The Senate Ways and Means line item is \$4.7 million more than the House but \$7 million less than House 1. Funding for all four initiatives is needed to achieve a seamless and equitable transition from existing coverage to the new programs being implemented under the ACA.

- **Senate Ways and Means also increases funding for many MassHealth accounts compared to the House (4000-0430, 4000-0500, 4000-0600, 4000-0880 and 4000-1400).** Senate Ways and Means provides the funding proposed in House 1 for the CommonHealth (4000-0430), Family Assistance (4000-0880), and MassHealth HIV (4000-1400) accounts all of which had been rather inexplicably reduced by the House. It also increases funding by \$38 million in the managed care account (4000-0500) and by \$42 million in the Senior account (4000-0600) which remain less than House 1 but more than the House. It was never clear what assumptions the House had made to arrive at the lower figures, but funding below maintenance levels always puts existing coverage, services, and provider rates at risk.

**3. Sufficient funding for a state “wrap” of federal subsidies for new coverage to replace Commonwealth Care in January 2014. (1595-5819 and Section 88)**

- **Senate Ways and Means provides for a transfer to the Commonwealth Care Trust Fund from the General Fund and dedicated revenue from other sources,** which is intended to be sufficient to continue Commonwealth Care for 6 months and to subsidize federal assistance to Commonwealth Care levels for 6 months. Senate Ways and Means transfers only \$339 million from the General Fund to the Commonwealth Care Trust Fund (CCTF), \$128 million less than the House. However, it makes up most of the difference by additional dedicated revenue. As discussed below, it provides that \$94 million from the employer assessment that now supports the Medical Security Program be transferred into the Commonwealth Care Trust Fund in January 2014 (Section 88). It is also counting on \$31.3 million from an increase in tobacco taxes provided for in the transportation bill now pending in conference to be dedicated to the Commonwealth Care Trust Fund; however, that will require action by the conference committee. The remaining \$3 million will be absorbed by the Connector. Sufficient funding is important to operate Commonwealth Care until December 31, 2013 and then to supplement new forms of coverage under the ACA to continue providing coverage as affordable as Commonwealth Care for up to 150,000 people with income up to three times the poverty level who are not eligible for Medicaid.

**4. Repeal of the Medical Security Program, and the employer Fair Share Contribution and transfer of the current employer medical assessment to the Commonwealth Care Trust Fund. (Sections 87, 88, 89)**

- Senate Ways and Means, like the House and the Governor, includes a package of reforms changing the way employers contribute to health coverage for unemployed workers. All three budget proposals repeal the Medical Security Program, which provided insurance coverage to unemployed workers with income up to 400 percent of poverty with the repeal effective on December 31, 2013 (Sections 89). On January 1, 2014, unemployed workers will be eligible for either the new MassHealth adult group or subsidized coverage through the Connector. All three budgets preserve the employer assessment that now supports the Medical Security

Program. However, the House has the employer assessment paid into a Medical Assistance Trust Fund for the support of MassHealth and Connector programs in 2014, while the Senate has the assessment paid directly into the Commonwealth Care Trust Fund. (SWM Section 88). Effective on July 1, 2013, all three also repeal 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. (SWM Section 87).

**5. More funding for MassHealth to administer benefits and prepare for the ACA than the House (4000-1602, 4000-1604)**

- **Senate Ways and Means proposes \$1.6 million more than the House but still less than the Governor requested for the new MassHealth operation account and ACA implementation account (4000-1602 and 4000-1604).** The 4000-1602 account is 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. The House funds only \$1.3 million of the \$3.3 million proposed in House 1. Senate Ways and Means increases funding for 4000-1602 to \$2.3 million. The 4000-1604 account was for ACA related administrative costs. The Senate funds it at \$600,000 more than the House, just \$50,000 less than House 1.
- **Senate Ways and Means does not go along with the House creation of a new Bureau of Program Integrity.** While not creating a new layer of bureaucracy, Senate Ways and Means does authorize continuing MassHealth audits by the Inspector General's Office (Section 120) and increased funding over FY 2013 for MassHealth auditing and utilization review (4000-0301).

## Child Welfare

**1. Senate Ways and Means funds DCF at \$778.5 million, an increase of \$26.8 million over the FY 13 appropriation (including supplemental allocations and cuts), and \$4.6 million more than the House allocated, but \$10.7 million less than the Governor proposed.**

- The major increase over the House proposal is \$6 million for the lead agency account which the House did not fund at all. Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves. The pattern over the past several years has been that the House has not funded the lead agency account, the Senate has proposed some funding, and the final budget includes some funding for the lead agency account. In FY 13 the lead agency account was funded at \$6 million.
- SWM proposes less funding for the two large services accounts than the House and the Governor did. SWM proposes \$249.3 million for Services for Children and Families (4800-0038), which is \$1.3 million less than the House and \$3 million less than the Governor, and proposes \$206.5 million for the Group Care Services account (4800-0041), which is \$1.5 million less than the House and \$6.5 million less than the Governor.

- While SWM proposes a substantial increase of \$24.8 million to DCF's budget, most of the Governor's even larger proposed increase of \$37.6 million 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 larger proposed increase was mostly to cover increased rates, the smaller increase that SWM proposes appears to represent a reduction in funding for services.

**2. SWM proposed to fund the Family Stabilization and Support Services account (4800-0040) at \$45.5 million. This is \$1.5 million more than current funding, \$900,000 more than in the House and \$100,000 more than the Governor proposed. This level of funding represents a decrease in funding for services, however, because DCF projects that an additional \$2.1 million from this account will be spent on chapter 257 rate reform.**

- In addition, SWM would maintain (in 4800-0015) DCF's ability to transfer up to 5% of funding between this account, the other two services accounts, and the lead agency account. In FY 12 the legislature prohibited any transfers of funds from the stabilization and support line item 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 age 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 fund the services needed to keep children safely with their families.

**3. Senate Ways and Means preserves reporting requirements in item 4800-0015, which are intended to ensure that DCF clear up its huge administrative hearing ("fair hearing") backlog, but does not include an earmark of \$152,000 which was included in FY 13 for two new hearing officers to clear this backlog. DCF has only recently hired the second of these new hires and still reports a hearing backlog of approximately 1300 cases.**

- **SWM also eliminates the requirement that DCF revise its regulations to ensure that its hearing system is timely independent and fair, despite the fact that DCF has not yet complied with the legislature's mandate, established in FY 2012 and repeated in FY 2013, that it promulgate these regulations.** The legislature originally established a deadline of October 3, 2011 and, when DCF failed to comply, established a new deadline of October 31, 2012. It is not clear why SWM chose to eliminate this requirement when DCF has still failed to comply with it.
- **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 an enormous backlog, routinely fails to hold hearings or issue decisions on a timely basis, and deprives litigants of basic due process hearing rights.

4. **Senate Ways and Means would decrease funding for social workers (item 4800-1100) by \$6.2 million below FY 13 funding. This is \$580,000 less than the House and \$912,000 less than the Governor proposed.**
5. **Services to victims of domestic violence (item 4800-1400) would be reduced to \$21.6 million. This is \$608,000 less than current funding, and almost \$2 million less than FY 09 funding.** 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. This account needs additional funding to adequately meet the needs of families affected by domestic violence.
6. **The Office of the Child Advocate (item 0411-1005) would be funded at \$304,100. This is \$4,100 more than current funding.** 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.
7. **Senate Ways and Means does not include the \$1.5 million that the Governor proposed (in line item 4000-0051) to allocate to the Executive Office of Health and Human Services to fund Family Resource Centers.** The Governor had proposed to expand the family resource centers that DCF currently runs.

## Child Care

1. **The Senate Ways and Means budget would provide \$15 million to reduce the income eligible wait list but since it would fund Income Eligible Child Care at \$10.4 million below projected FY 13 spending, the increase is less than \$5 million.** Currently, there are about 50,000 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, and the same as the House.** The proposed line item does include a longstanding provision that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees. This provision was omitted by the Governor but is in the House budget.
  - **Income Eligible Child Care (item 3000-4060) would be funded at \$217.9 million, plus an additional \$15 million to reduce the wait list (item 3000-4070), for a total of \$4.6 million more than FY 13 projected spending.** Far more is needed to make a significant dent in the wait list.
  - **Supportive Child Care (item 3000-3050) for children referred by the Department of Children and Families would be funded at \$77 million, less than the FY 13 appropriation**

of \$77.3 million, projected spending of \$77.8 million, and the House proposal of \$80.8 million. More is needed to assure necessary care to these particularly vulnerable children.

- **Head Start (item 3000-5000) would be level-funded at \$8 million**, the same as the House. Massachusetts is losing about 1,100 Head Start and Early Head Start slots because of sequestration. No funds are provided to make up any of this cut.
- **Funding to improve the quality pre-kindergarten programs and expand access (item 3000-5075) would be cut to \$7 million**, compared with \$7.5 million in the House and FY 13 funding of \$7.4 million.
- **Grants for supports to schools and communities for early education (item 3000-7050) would be cut by \$1 million to \$17.2 million.** The House would have level-funded this account at \$18.2 million.
- **Except for the small increase to income eligible child care, Senate Ways and Means, like the House, does not include any of the \$120 million proposed by the Governor to improve child care access and quality.** These funds accounts would have paid for additional 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 be level-funded at \$5.9 million.** The Governor proposed a \$2 million increase and the House proposed a \$1 million increase.