MLRI MASSACHUSETTS LAW REFORM INSTITUTE

The Governor's FY 2027 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

January 30, 2026

On January 28, 2025, Governor Healey released her budget proposal for fiscal year 2027 (FY 27), which is referred to as House 2. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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Cash Assistance, SNAP and Related Items Administered by DTA

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
4400-1000	DTA Administration and Operation	$106,937,411	$110,980,122
4400-1001	Food Stamp Participation Rate Programs	$5,294,419	$5,762,115
4400-1004	Healthy Incentives Program (HIP)	$20,100,000	$29,700,000
4400-1020	Secure Jobs Connect	$5,050,000	$4,950,000
4400-1025	Domestic Violence Specialists	$2,329,397	$2,411,075
4400-1100	Caseworkers Reserve	$101,262,107*	$147,699,832*
4400-1979	Pathways to Self Sufficiency	$990,072	$980,171
4401-1000	Employment Services Program	$20,557,862	$20,375,367
4403-2000	TAFDC	$466,729,423	$437,259,755
4403-2007	Supp. Nutrition Program	$8,359,783	$11,000,000
4403-2008	Transportation Benefits for SNAP Path to Work Participants	$356,537	$352,972
4403-2119	Structured Settings for Parents Under 22	$13,862,439	$15,080,238
4405-2000	State supplement to SSI	$195,347,995	$186,937,185
4408-1000	EAEDC	$208,990,924	$204,024,252

*The proposed FY27 amount is not an increase. It level-funds the existing SNAP workforce. See DTA caseworker section below.

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

   - **TAFDC and EAEDC (items 4403-2000 and 4408-1000) stuck at April 2025 levels.** TAFDC and EAEDC grants were increased by 10% beginning in April 2025. There is no increase scheduled for FY 26. The April 2025 increase raised the maximum TAFDC grant for a family of three to $861 per month, and raised the maximum EAEDC grant for an individual to $441 per month. Grant levels remain below half the federal poverty level, also known as Deep Poverty, which is now $1,138 a month for a family of three.

     The poverty level and Deep Poverty level go up every year to keep pace with inflation. TAFDC and EAEDC grants, on the other hand, do not get regular cost of living increases. TAFDC grants have lost 42% of their value since 1988; EAEDC grants have lost even more. Progress in recovering the value lost to inflation has been slowed by the Governor's elimination of the grant increase scheduled for April 2024, and failure to increase grants in FY 26. A Budget Brief accompanying H.2 says that H.2 "sustains" the past "historic benefit increases," but without an increase in FY 27, the purchasing power of the grant will inevitably be further cut by inflation.

     H.214 (Rep. Decker) and S.118 (Sen. DiDomenico) would increase benefits by 20% a year until they reach half the federal poverty level, and then would increase benefit levels more slowly as the poverty level increases with inflation. The Committee on Children, Families and Persons with Disabilities reported both bills favorably. A further grant increase is necessary – even in a tight fiscal year – or grants will continue to be woefully insufficient to meet even the most basic needs of very low-income households.

   - **TAFDC Clothing Allowance maintained at $500 per child (item 4403-2000).** The clothing allowance is an important benefit for families with children, provided once per year in the month of September, to help families buy necessary clothing items close to the beginning of the school year.

   - **The Governor proposes to reduce the TAFDC appropriation (item 4403-2000) by $29.5 million compared with the FY 26 appropriation.** The lower figure appears to be based on a much lower projected caseload for FY 27 than was expected for FY 26. The TAFDC caseload indeed has been going down. The December 2025 caseload is 11% lower than the December 2024 caseload. The drop in the caseload means that there will be unspent funds in FY 26, a year during which low-income households will see no increase and grants will lose further ground to inflation. Those unspent funds, plus the reduction in the appropriation for FY 27, are enough to fund a small but meaningful grant increase in FY 27.

   - **The Governor's budget continues the extension of benefits to pregnant persons at the beginning of pregnancy but fails to address unrealistic verification requirements (item 4403-2000).** For many years, very low-income pregnant persons with no eligible dependent child were not eligible for TAFDC until their third trimester. The FY 26 budget provided that eligibility could start any time in the

pregnancy but only if the pregnancy has been "medically" verified. Health care providers typically won't schedule an appointment with a pregnant person until they are near the end of their first trimester. The requirement of "medical" verification thus prevents very low-income pregnant persons from accessing benefits early in the pregnancy, as the change intended. Nothing in state or federal law requires "medical" verification. The Department of Public Health provides Women, Infants, Children (WIC) Program nutrition benefits to pregnant women based on a positive pregnancy test rather than requiring medical verification. H.272 (Rep. Montaño) and S.171 (Sen. Rausch) would provide benefits upon verification of pregnancy without requiring unobtainable "medical" verification.

- **TAFDC benefit levels for families in shelter (item 4403-2000).** At advocates' urging previous budgets removed a reduction in benefits for families in shelter. The Governor deleted this language in her budget proposal. It is not clear if the Governor intends to reinstate the reduction. Families in shelter use TAFDC benefits to build up savings for rental costs once they obtain housing and travel costs to search for housing and/or employment. Reducing benefits for families in shelter would stymie those efforts.

- **Prohibiting changes to benefit calculations that would result in a benefit decrease (item 4403-2000).** The Governor omits previous budget language barring changes to benefit calculations that would result in a decrease. The Legislature adopted this language after a previous Administration proposed counting a parent's SSI benefits against the TAFDC grant, which would have caused many children to lose their TAFDC. The Governor also omits the current requirement of 75 days' advance notice before DTA proposes any changes to eligibility, benefits or the disability standard, and the requirement that DTA tell recipients about their eligibility for child care.

- **"Employment Bridge" payments (outside sections 70 and 71).** Under current TAFDC law, enacted in 2018, DTA does not count earned income below 200% of the federal poverty level for six months. TAFDC recipients who are working and do not have unearned income typically receive the maximum benefit for their family size (for example, $861 a month for a family of three) for six months. After that, earned income is counted after deducting $200 to cover work expenses and half of the remainder. Some working TAFDC recipients lose eligibility after six months and some are eligible for a much smaller grant.

  The Governor's proposal is even more complicated than current law. Under the Governor's proposal, some working recipients would be eligible to receive four months of benefits, in most cases at 150% of the maximum benefit for their family size. Other working recipients who currently receive the six months of full benefits but are not earning enough to lose eligibility for TAFDC with the $200 and half of the remainder deductions would not be eligible for the enhanced benefits.

  The four months of benefits would not be claimed as spending under the federal Temporary Assistance for Needy Families (TANF) program, allowing the recipients to qualify under special SNAP rules for five months of SNAP without counting the income that made the household ineligible for TAFDC. While we are happy to see the relatively higher-income working households getting more SNAP, we are not

persuaded it is right to make it happen while cutting cash assistance for lower-income working households. Moreover, existing federal laws allow DTA to change its policies so more working families can get this special five months of SNAP. DTA does not need to restrict access to TAFDC to meet this goal. It seems to us that the Governor's proposal provides a better SNAP benefit to somewhat higher income working families while substantially reducing cash assistance to lower income working families.

- **The Governor proposes to maintain Transitional Support Services (TSS) for families whose TAFDC case closes due to income (item 4403-2000).** TSS provides four months of very small transitional benefits after a TAFDC case closes because of earnings. The payments start at $280 a month and reduce month by month to $70 in the fourth month. Like the proposed "Employment Bridge" these small payments only benefit working families whose incomes are high enough to make them ineligible under the "$200 and half of the remainder" formula. The Governor proposes "not less than $1 million" for TSS, the same as the FY 26 budget. Actual costs are about $3.5 million.

- **EAEDC line item (4408-1000) proposed to be reduced by nearly $5 million.** The EAEDC caseload has dipped slightly, but not as dramatically as the TAFDC caseload. The Administration may be expecting that fewer very low-income older adults and people with disabilities will access to EAEDC because of the proposed $2,000 asset limit (see below).

  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 benefits paid for some EAEDC recipients. EAEDC is especially important for older adults and persons with disabilities who face longer waits for their Social Security and SSI benefits due to the Trump Administration's closure of some SSA field offices, reduced telephone access, and increased in-person requirements.

  The Governor omits language requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. The Governor does specify that homeless persons shall receive the same basic grant as recipients who incur shelter costs, a provision that she did not include in her FY 26 proposal.

- **Asset limit of $2,000 for EAEDC (outside section 49).** The Governor proposes to institute an asset limit of $2,000 for EAEDC applicants and recipients. The EAEDC program for many years had an asset limit of $250. The Legislature eliminated the asset test in 2021. The Governor's proposal does not say how many older adults and people with disabilities would be denied benefits because of the proposed asset limit, how many applicants it expects will be denied because they can't produce proof they do not have $2,000 in assets, or how much the proposed asset test would save. It also does not include estimates for the costs DTA will incur to implement a burdensome asset test, including IT changes, notice re-designs, caseworker training, and ongoing worker time spent navigating this rule with severely disabled applicants and recipients.

  When the $250 asset limit was in effect, advocates reported that almost no applicants or recipients had that amount but often could not prove that they had no assets. Some

individuals had old bank accounts that were empty but showed up in a bank match. Sometimes a homeless person was sleeping in a broken-down car and could not prove it had no salvage value. Some people had a life insurance policy they had paid for when they were working so they could be decently buried and not be a burden on their family. In one case, a refugee couple who had fled from persecution in the conflict-ridden North Caucasus in Russia still had title to a house there; DTA said they were over-asset even though they could not sell the house without returning and putting their lives in jeopardy. Advocates expect that the proposed asset limit would similarly bar very low-income older adults and people with disabilities from the very low EAEDC benefits ($441 a month for a single person) even though they do not in fact have accessible assets.

During a time of unprecedented workload challenges for DTA because of insufficient staffing and new federal requirements, instituting an asset limit will require DTA workers to take time from other critical work to explain to applicants and recipients what they must prove, help clients who can't prove their supposed assets aren't worth $2,000, and deal with people in crisis who feel they are being arbitrarily denied.

- **Missed opportunity to make low-cost improvements to TAFDC.** The TAFDC program is burdened by antiquated policies that could be addressed at low or no cost. For example, a 1995 law called Learnfare puts children on "probation" if they are determined to have too many school absences and then sanctions them if the parent doesn't provide monthly proof of attendance. There is no evidence that sanctioning children helps them stay in school and the "savings" are negligible. Repealing this law would save worker time and spare families the stress of having to deal with DTA while their child is having a difficult time. Another example of outmoded law is our current policy of sending child support collected for children on TAFDC to the General Fund and the federal treasury instead of sending it to the families.

- **Reduction in State Supplement for SSI line item (4405-2000).** The state supplement for SSI (Supplemental Security Income) would be funded at $186.9 million, $8.4 million less than the FY 26 budget. Like many other states, Massachusetts provides a state-funded supplement to federal SSI. The Massachusetts amount varies depending on the person's living arrangement and whether the person is 65 or older, blind, or severely disabled. In Massachusetts, the state supplement for a disabled person is currently $114 a month. It has not been raised in many years. Fewer people are getting SSI and therefore fewer are qualifying for the state supplement because of unprecedented Social Security Administration staff cuts resulting in even longer waits for SSI approval.

2. DTA Caseworkers and Administration

- **No additional investment to hire DTA caseworkers during a time of unprecedented barriers reaching DTA for help, driving the SNAP caseload down** even as food insecurity and food-bank demand remain high. The Governor's budget narrative suggests this is "increased funding to meet projected need." However, H.2 simply level funds the FY26 projected cost for the existing SNAP workforce and falls short of what very low income families and the Commonwealth

need.

The Governor proposes $147.7 million for DTA caseworkers (item 4400-1100), $46.4 million more than the final FY 26 budget. Both the Governor's and Senate FY 26 budgets fully funded the caseworker line item, but the final FY26 budget oddly lacked $42 million for DTA caseworkers. The Healey Administration filed a FY26 supplemental budget, HD. 5610, with caseworker funding to address this shortfall. Then, at the end of 2025, DTA hired 77 new SNAP workers to address some of its understaffing issues. While a positive and needed step forward, 77 new hires are not enough to fix the severe access issues caused by DTA's worker shortage.

H.2's $147.7 million pays for these 77 workers, the group the final FY26 budget did not fund, and the rest of DTA's caseworker pool.[1] MLRI estimates, to return to pre-COVID workloads, DTA needs funding to hire approximately 200 SNAP case managers in addition to the recent class of 77.

The consequences of underinvestment in DTA are severe:

- DTA staffing has not kept pace with increased need. The SNAP caseload increased by nearly 40% since the start of COVID-19 in 2020 due to both economic need and efforts to close the "SNAP gap" (MassHealth recipients eligible for but not on SNAP). Pre-COVID, there were about 850 SNAP cases per worker. Now it's 50% higher - about 1,300 cases per worker.

- For the past 18 months, the SNAP caseload has been declining in part because residents cannot get the help they desperately need. The number of children alone getting SNAP has declined by 11%, from 355K children to 316K children, while emergency food networks continue to see high levels of demand.

- A caseload that does not match the economic needs of low-income families also turns away significant federal dollars. For example, if 25,000 eligible households per year are excluded from SNAP due to access barriers, Massachusetts loses nearly $100 million federal food dollars annually.

- Due to lack of workers, in 2025 between 61-77% of calls trying to reach a SNAP worker by phone were blocked.[2]

- If DTA does not have enough caseworkers to reduce its Payment Error Rate

[1] H.2 proposes FY 27 funding of about $5 million more than FY 26 projected spending. This increase appears to be for salary increases and other typical cost increases. $5 million is not enough to hire the number of caseworkers necessary to fix DTA's serious access issues.

[2] From July through December 2025, 40% of callers who needed to take action to get or keep SNAP (who called about missing paperwork or to get an interview) who were blocked due to high call volume could not get through at any point in the month they called. During that same period, 90% of recipients who called to report a change, claim an exemption from the work rules, or ask a question could not get through after being blocked. Data from DTA's monthly scorecards and Public Records Request filed by MLRI.

(PER)[3] below 6% for Federal Fiscal Year (FFY) 2026, the state will be required to pay for a share of SNAP benefits issued from Oct. 2027 through Sept. 2029 - potentially hundreds of millions of dollars. And if the PER is not below 6% for FFY27, the state faces the same cost-share for Oct. 2029 through Sept. 2030. For 20 years before the pandemic - when the caseworker to case ratio was lower and staffing better met the needs of families - our error rate was below 6%. Investing in sufficient staffing now is paramount to put Massachusetts in the best position to avoid an ongoing price tag.

- **No meaningful increase to DTA Administration and Operations (item 4400-1000), despite need for IT and operational improvements.** DTA Administration and Operations funding (item 4400-1000) would be increased to $111 million from the $106.9 million appropriated for FY 26. Most of this increase appears to be due to salary increases and an uptick in ongoing costs, including the higher annual cost of chip EBT cards.

  This line item funds DTA Central Office staff, administrative costs for DTA programs (including SNAP, TAFDC, EAEDC, and SUN Bucks), eligibility system and technology improvements, the statewide phone system, EBT cards, and local DTA office clerical, hearings, and support staff.

  The legislature recently provided DTA $10 million in a FY25 supplemental budget to improve its systems and improve access to SNAP. This was a positive initial investment to build on in FY27. IT and technology resources are needed to improve access to benefits, ensure households are not incorrectly denied or terminated, and reduce the payment error rate.

  H. 2 also removes the FY26 requirement that DTA report on program costs, error rates, and caseloads. In addition, the Governor removes an important requirement that an application for TAFDC also be considered an application for MassHealth.

- **Funding for DTA domestic violence specialists (item 4400-1025).** H.2 funds DTA's domestic violence specialists at $2.4 million (a slight increase over FY 26's $2.3 million).

3. Other DTA Benefits

- **No state funded SNAP for legally present immigrants.** The federal budget reconciliation package passed in July, H.R.1, ended SNAP eligibility for up to approximately 9,500 legally present humanitarian immigrants living in Massachusetts - refugees, asylees and humanitarian parolees who fled war and persecution in their homelands as well as victims of human trafficking and domestic violence, often at the hands of US citizens. Humanitarian immigrants are losing access to SNAP when they apply or when their existing eligibility is reevaluated.

[3] The budget reconciliation bill passed by Congress in July 2025, H.R.1, requires states to pay 5%, 10%, or 15% of SNAP benefits if the state cannot reduce its PER - a measurement of mistakes in a small sampling of SNAP cases - below 6% for every federal fiscal year. In FFY24 DTA's PER was 14.1%. The estimated FFY25 error rate is around 11%.

Although the Governor's Executive Order 643 forming the Anti-Hunger Task Force calls for recommendations to address H.R.1's many harms, House 2 fails to take any steps to meaningfully address the loss of SNAP benefits for this extremely vulnerable population.

- **No funds to replace stolen SNAP.** Congress previously enacted partial replacement for SNAP benefits stolen by skimming or phishing. Federal replacement ended for SNAP stolen after December 20, 2024. Massachusetts had previously provided funds to cover federal gaps in replacement. Those funds ended in January 2025. Since then, thousands of theft victims have been left scrambling to pay for groceries - skipping meals, incurring debt, using rent funds, or missing bill payments to buy food.

  S.2575 (signed into law on August 5, 2025) provided DTA $15.5 million to implement chip/tap EBT cards, which will significantly reduce theft. It is not clear when DTA will begin issuing chip EBT cards. Until chip cards are issued, state replacement - even a partial amount - would ensure very low income families who have been victimized by sophisticated criminal rings can put food on the table.

- **Healthy Incentives Program (HIP) (item 4400-1004)** is increased to $29.7 million. The FY26 budget provided $20.1 million. A FY25 supplemental budget provided an additional $7.5 million for FY 26. This is a huge victory for the HIP Campaign. HIP is a dollar-for-dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. HIP participation is especially high among low-income older adults, helping them access locally grown food and decrease social isolation. It is important to note that households cut-off from SNAP due to the federal changes, such as humanitarian immigrants, cannot access HIP benefits.

- **SNAP participation funding (item 4400-1001)** would be increased to $5.8 million from $5.3 million in FY 26. The line item provides funding for Project Bread's Food Source Hotline and other DTA projects to increase access to SNAP benefits.

  In general, SNAP outreach efforts from a network of over 100 community partners are key to building community connections to SNAP and increasing participation. But, successful outreach relies on an accessible system - if DTA does not have sufficient caseworkers to timely serve applicants and recipients, their efforts will fall flat.

- **Supplemental Nutrition Program for working families (item 4403-2007).** The Supplemental Nutrition Program would be funded at $11 million. This program provides a small supplement to thousands of low-income working families on SNAP. The line item was increased in FY 26 due to a change in federal law. H.2 increases the line item slightly for FY 27 because the federal change will be in place for the full fiscal year.

- **Living programs for parents under 22 (item 4403-2119)** is slightly increased to $15.1 million from $13.9 million in FY 26.

- **Stipend funding for DTA advisory board participants (item 4403-2000).** The

Governor proposes a stipend of $400 per year for DTA benefit program applicants and recipients who participate in DTA advisory boards. The payment would not count as income. Recipient participation on Boards ensures the voices of those who engage directly with DTA are heard and helps identify access issues and inform state policy. Stipends would help address the costs of attending board meetings. We also recommend that DTA provide stipends to former recipients who participate in Advisory Boards, unless they are employed by an agency that pays for their time while they attend meetings.

4. Employment and Training

- **Secure Jobs Connect (item 4400-1020)** would be funded at $5 million. This program provides employment support, job training and job search services for homeless or previously homeless families through community-based organizations.

- **Employment Services Program (ESP) (item 4401-1000) and Pathways to Self Sufficiency (item 4400-1979)** would be slightly reduced from $20.6 million to $20.4 million and from about $990,000 to $980,000, respectively. These accounts fund employment services for TAFDC recipients. Like previous Governor's budgets, House 2 does not propose any earmarks for ESP. The FY 26 budget included earmarks for the Young Parents Program, some education and training for TAFDC parents, the DTA Works Program (paid internships at state agencies), learning disability assessments, and ORI job search services. The Governor also does not include a current requirement that the Administration report on program outcomes.

- **Transportation benefits for SNAP Path to Work participants (item 4403-2008)** would be reduced slightly to about $353,000. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a work activity and keep their benefits. The reduction would take place while DTA implements the most significant federal expansion to SNAP work rules since they were created in 1996. Help paying for transportation is necessary for older adults and caretakers of children 14 or older newly subjected to these harmful rules.

5. Other Nutrition-Related Line Items

- **Universal Free School Meals (item 1596-2422).** H.2 provides $198 million to fund universal free school meals. The ongoing success of this critical program is a testament to the impressive School Meals for All Campaign.

  If fewer families with K-12 children are on SNAP, the state costs for free school meals may increase.

- **Hunger Free Campus Initiative (item 7100-4003).** Included under the Department of Higher Education, H.2 includes $500,000 to support food security on college campuses, consistent with FY 25 and FY 26 funding. This is a welcome investment. Yet as food insecurity grows on our public college campuses, the funding is not sufficient to meet the need among the 29 public colleges and universities in the state. Drawing from Fair Share funding may be appropriate to add additional funding,

consistent with Fair Share funding for K-12 universal school meals and free community college.

- **Mass Emergency Food Assistance Program (MEFAP, item 2511-1105)** would receive a $4.5 million dollar increase over FY26 projected spending. The four food banks and their local partner organizations have seen a significant surge in demand over the past 12 months, further exacerbated by the November 2025 federal government shutdown which caused a significant delay in SNAP issuance and emptied the shelves of many food pantries.

Civil Legal Services

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
0321-1600	MLAC	$51,000,000	$52,000,000

1. **For the Massachusetts Legal Assistance Corporation (item 0321-1600)**, which supports grants for civil legal aid programs for low-income residents of Massachusetts, House 2 is recommending an appropriation of $52 million, $1 million more than the FY 26 appropriation. MLAC is requesting an appropriation of $53 million in order to help meet the growing statewide demand for civil legal services.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
4000-0300	EOHHS and Medicaid Administration	$160,961,722	$156,214,202
4000-0430	MassHealth CommonHealth Plan	$340,074,133	$327,948,284
4000-0500	MassHealth Managed Care	$6,013,267,263	$6,051,261,716
4000-0601	MassHealth Senior Care	$5,116,762,022	$5,197,654,427
4000-0700	MassHealth Fee For Service Payments	$3,931,775,812*	$4,166,817,619
4000-0880	MassHealth Family Assistance Plan	$576,309,407	$633,207,250
4000-0940	MassHealth ACA Expansion Populations	$3,587,449,744	$3,363,484,382
4000-0990	Children's Medical Security Program (CMSP)	$42,600,000	$42,600,000
1595-5819	Commonwealth Care Trust Fund	$0	$0

* The amount shown was appropriated in the General Appropriations Act (GAA) for FY26, Chapter 9 of the Acts of 2025. A proviso in the 4000-0300 account in the FY26 GAA gave the agency transfer authority between most MassHealth accounts, including 4000-0700, in order to reduce deficiencies in any such accounts by September 30, 2026. An additional $2,046,164,359 for this line item was included in chapter 73 of the Acts of 2025, the FY25 close-out budget, with appropriated funds available through June 30, 2026, the end of FY26. Some of that added $2 billion may have covered FY25 spending, with some remaining to be spent in 4000-0700 or transferred to other accounts in 2026. This makes the FY26 to FY27 comparison, meaningful for other agencies, problematic for MassHealth.

1. **House 2 proposes a net increase of 7% over the FY26 GAA, but with significant cuts in optional services.**

    - House 2 (H2) requests $22.8 billion gross, $9.299 billion net of federal Medicaid reimbursement for FY27. This is a 7% net increase above the FY26 GAA. However, the Administration says to limit the increase to 7% significant cuts will be required in FY27 and more in FY28. The budget brief titled "Making Health Care and Insurance Affordable" describes the three largest contributors to spending growth as

prescription drugs, behavioral health services, and long term services and supports for an aging population, and these are among the areas where H2 proposes "targeted benefit reductions" in optional adult services. These benefit reductions in adult dental, personal care attendant, adult foster care, adult day health, care management and GLP-1 drugs for weight loss are described in greater detail below. While per member costs are growing, the membership is not. Cost growth is not attributed to an increase in enrollment. MassHealth expects enrollment to remain flat, even with red tape reforms taking effect in FY27 as mandated by the federal 2025 Reconciliation Act that are expected to drive down enrollment.

- The budget documents also refer to a working group that will consider whether taking the pharmacy benefit out of the benefits managed by MassHealth managed care entities and instead making it part of the fee for services system would generate savings, but the savings do not appear to be quantified or baked into the H2 budget. In addition, H2 is assuming there will be a moratorium on provider rate increases and program expansions not required by federal law. It also assumes certain unspecified one-time administrative measures that budget writers describe as allowing time for policy development and appears to be a reference to the Governor's recently announced Health Care Affordability Working Group. Finally, the proposed budget assumes that MassHealth will "continue to aggressively expand program integrity initiatives." In a briefing for stakeholders, the Medicaid Director said MassHealth was a national leader in combating fraud, waste and abuse. It's notable that the Trump administration recently directed federal agency heads to scour federal funding to 14 blue states for signs of fraud, waste and abuse. It's notable that the Trump administration recently directed federal agency heads to scour federal funding to 14 blue states, including Massachusetts, for signs of fraud, waste and abuse.

2. H2 assumes once more cutting the adult dental benefit that was only fully restored in 2021. (Section 78)

- As part of H2's effort to reduce spending, Outside Section 78 authorizes MassHealth to impose limits on adult dental coverage for MassHealth members and Health Safety Net patients. H2 assumes an annual cap of $1,000 per member. This cap would not apply to dental benefits for children and youth under age 21, nor to adult members served by the Department of Developmental Services.

- Adult dental benefits have been the target of budget cuts in Massachusetts for decades. Significant cuts were made in 2002, restored in 2006, only to be cut again in 2010. Over the next decade, advocates worked to restore dental benefits bit by bit, finally succeeding in restoring the full scope of dental services on January 1, 2021. H2 imposes the first cut to dental benefits since they were fully restored in 2021.

- This cut is expected to affect approximately 85,000 to 90,000 adults who currently receive more than $1,000 of dental services per year, and to realize $60 million in net savings to MassHealth. However, some of these savings are likely to be passed on as costs to the hospital system. While some dual-eligible members might retain dental benefits through their managed care plans (One Care and Senior Care Options), most other adult members will be forced to seek care for painful and serious dental conditions in

hospital emergency departments.

3. **The PCA Program remains a target for cost savings, with H2 incorporating prior consensus recommendations for savings from the PCA Working Group and tasking the working group to identify an additional $68 million in total cuts for FY27. (4000-0601)**

    - Following the Governor's attempts to make direct cuts to the Personal Care Attendant (PCA) program for FY25, the final budget passed by the Legislature directed EOHHS to convene a working group to develop recommendations for the long-term sustainability and cost containment for the program. The PCA Working Group produced a report in March 2025 with recommendations that would reduce spending by about $7.4 million and noted that, with more time, they could identify further cost savings. The Legislature agreed to extend the mandate of the working group in the FY26 final budget, and the PCA Working Group issued another report in November 2025. The consensus recommendations in that report realized another $32 million in savings. More than 55,000 individuals with disabilities and older adults relied on the PCA Program in FY24 to live independently and with dignity in their homes and communities. Through this vital benefit, members, both adults and children, with permanent or chronic disabilities manage their own care in their own homes and communities. The program pays for personal care attendants to help with activities of daily living (ADLs) such as bathing, eating, toileting and transfers, and "instrumental" ADLs (IADLS) such as shopping, housekeeping, laundry, and meal preparation.

    - While H2 does not explicitly contain any cuts to the PCA Program, the Governor's FY27 budget brief on health care states that the budget assumes an additional $68 million more in cuts ($34 million net) to the PCA program – that is on top of the $39.4 million already identified by the PCA Working Group, for a reduction in the PCA budget of over $100 million total. The task force is expected to continue its work and develop additional proposals to hit the target savings amount that has been built into the FY27 budget. The Working Group's past consensus recommendations have included reducing the PCA overtime ceiling and strictly enforcing it, as well as setting upper limits on time for the task of support for meal preparation. As noted in its November report, the working group is looking at setting caps in PCA hours in other areas. While utilization of the program has increased consistently year to year, the costs of the program have outpaced that growth. It is difficult to see how an additional $68 million in savings will be found without considering eligibility restrictions, additional caps on the scope of services, or freezing the rate of pay for PCAs.

4. **H2 marks two new LTSS programs for significant cuts: an additional $50 million in cuts to Adult Day Health (ADH) and Adult Foster Care (AFC) have been factored into the FY27 budget. (4000-0601)**

    - Adult Day Health (ADH) and Adult Foster Care (AFC) are two additional programs in MassHealth's Long-term Supports and Services (LTSS) portfolio that provide home and community-based assistance with ADLs and IADLs. ADH is a community program where a member goes to receive day time supervision and services, including nursing services (e.g., medication administration), therapy services,

nutrition and dietary services, and case management. Over 10,500 seniors and adults with disabilities participate in ADH programs each year, and over half of this group have memory care or behavioral health needs. In AFC, known both as Adult Foster Care and Adult Family Care, a member receives around-the-clock care living with a lay caregiver who provides assistance with ADLs and IADLs; the AFC agency provides nursing oversight and care management. Over 12,500 individuals receive services through the AFC program.

- MassHealth will replicate the PCA Working Group model by convening new ADH and AFC stakeholder taskforces to identify ways to reduce spending in those programs. Specifically, the Governor's FY27 budget brief on health care describes overall savings targets of $30 million in annual ADH spending and $70 million in AFC spending to be realized for FY28. We commend the Administration for consulting with stakeholders and trying to develop consensus as part of the process of developing cost containment strategies for LTSS programs to ultimately safeguard their long-term sustainability.

5. **H2 proposes to reduce funding for intensive care management and to no longer require ACOs and MCOS to include the Behavioral Health and Long Term Services and Supports Community Partners that provided these services in their networks**

- Among the optional benefit reductions described in budget briefs and power point presentations is a proposal to reduce funding to Accountable Care Organizations (ACOs) for care management by 50% and to eliminate the requirement for ACOs to contract with the Community Partner organizations that provide these services. H2 assumes estimated net savings of $35 million in reduced capitation payments to ACOs. According to MassHealth officials 175,000 members have gotten these services in FY26, and H2 assumes that number will drop to 100,000. The only reason the administration has offered for singling this program out for such a large cut is enrollment levels in "peer states" are 8% of members per year as compared to 16% of members per year in Massachusetts. The agency assumes that ACOs will target these programs to those with the greatest need.
- The Community Partner program was an integral part of the delivery system transformation that introduced the Accountable Care Organization model when the 1115 Demonstration was renewed for the 2017-2022 period. Behavioral Health (BH) and Long-Term Services and Supports (LTSS) Community Partners (CPs) are community-based entities that help coordinate care for ACO and MCO members, and for DMH and Nursing Facility clients with complex needs. Currently, 20 organizations participate. MassHealth continued the program in the next renewal of the 1115 Demonstration, however the funding mechanism changed in 2023 under the current waiver, which expires at the end of 2027. MassHealth is now soliciting public comments on its plans for another extension of the 1115 Demonstration. Nowhere has it produced data– which must surely exist after so many years– showing whether the Community Partners were successful in helping their clients with complex needs avoid higher cost services, or hospital or nursing home services, or whether or not the program improved health outcomesIt is inexplicable that after years building this model, including millions of dollars in capacity building and infrastructure improvements for the BH and LTSS CPs, that the Administration would make such a

significant change on the grounds that some other state Medicaid programs provide less case management than the MassHealth ACOs and MCOs do.

6. **H2 assumes that MassHealth will eliminate coverage for weight-loss GLP-1s, a high-cost prescription benefit that has been growing in use.**

   - In the past year, GLP-1 drugs accounted for almost half of the increase in MassHealth prescription drug spending, which has been a significant driver of total cost growth. MassHealth first began covering anti-obesity GLP-1 medications in January 2024, joining only 12 other state Medicaid programs to provide this benefit. GLP-1s, scientifically known as glucagon-like peptide 1 (GLP-1) agonists, treat type 2 diabetes and obesity. These medications have shown incredible promise in reducing obesity and mitigating the harms of obesity-related diseases, but they are also incredibly expensive: annual list prices can be as high as $16,000, with net prices between $7,000 and $9,000 after discounts. While Massachusetts ranks 4th nationally for the lowest prevalence of obesity, 27.7% of adults meet the criteria for obesity. MassHealth has already taken cost control measures with respect to GLP-1s used for weight loss, such as tightening clinical eligibility for coverage (such as baseline BMI and co-morbidity criteria) and preferred drugs listings. H2 assumes that MassHealth will realize $15 million in net savings through this benefit reduction of removing coverage for GLP-1s used to treat obesity, impacting more than 22,000 MassHealth members.

   - This restriction has already been adopted for the Health Safety Net (HSN). As of April 15, 2025, HSN no longer paid for GLP-1s used to treat obesity; members prescribed GLP-1s for diabetes or other medically accepted indications continue to have access to those medications. Additionally, other Massachusetts health plans are also dropping coverage of GLP-1s prescribed for weight loss, including Blue Cross Blue Shield of Massachusetts and Mass General Brigham Health Plan. The problem of the sky-high costs of weight loss drugs has been on the radar of the Trump Administration, which announced in November 2025 a deal with two drugmakers of popular GLP-1s to reduce their prices for both Medicaid and Medicare. In adopting this GLP-1 coverage restriction, Massachusetts follows similar actions taken by the state Medicaid agencies in California, Pennsylvania, Connecticut, and New Hampshire.

7. **"Making Massachusetts More Affordable for [not quite] All": H2 continues the ConnectorCare pilot benefiting thousands of state residents with income over 300% FPL, but has no solution for thousands of lawfully present immigrants no longer eligible for federal premium tax credits. (1595-5819 and Sections 73, 74 and 76)**

   - H2 continues into calendar year 2027 the two-year pilot program first enacted in 2024 that increased the upper income limit for the ConnectorCare program. The Budget Brief called "Making Massachusetts Affordable for All" states this will enable an estimated 47,000 people with income of 300% - 400% of the federal poverty level (up to $84,600 for a couple) to maintain affordable coverage. However, the July 2025 federal reconciliation bill, HR1, the so-called "One Big Beautiful Bill Act"

(henceforth "OB3"), amended the ACA to eliminate premium tax credits for lawfully present immigrants with income under 100% FPL (up to $21,150 for a couple) who are financially eligible for the ACA Medicaid expansion but barred by federal Medicaid's more restrictive immigrant eligibility rules. In December 2025, there were 37,000 lawful immigrants with income under 100% FPL enrolled in ConnectorCare; in January 2026, there were none. In January 2027, another OB3 provision will drastically narrow the categories of lawfully present immigrants with income of 100-400% FPL who can qualify to receive federal premium tax credits. The Connector estimates an additional 25,000 - 30,000 lawful immigrants with income over 100% FPL will lose eligibility in January 2027. H2 is silent on the affordability challenges faced by these Massachusetts residents or any solution for them in FY27.

- Since 2014, ConnectorCare plans have been largely subsidized by federal premium tax credits under the Affordable Care Act, supplemented by funding from the Commonwealth Care Trust Fund (CCTF) set up at the time of the 2006 state health reform law. Even during the 5 years from 2020-2025 that the amount of federal tax credits were enhanced, added state supplements were needed to make coverage affordable as determined annually by the Health Connector Authority's board of directors. With the expiration of enhanced funding on December 31, 2025, the added cost to the CCTF required to still provide affordable coverage for those from 100-400% FPL is $250,000. This amount will be drawn from the CCTF, which received no added appropriation in FY26 in line item 1595-5819, and none is proposed in FY27. However, H2 does propose in Section 76 that the federal revenue from the 1115 demonstration that is generated by state spending for the 300-400% FPL pilot be paid into the CCTF in addition to the funds' existing revenue sources from individual mandate penalties, an employer assessment, and $1 from the cigarette tax.

8. H2 allocates funding for administrative costs of implementing significant federal changes but assumes relatively limited change in enrollment for FY27.

- Although H2 identifies the rapidly rising cost of health care as the primary driver behind the need to reduce MassHealth spending in FY27, it also incorporates certain spending reductions related to OB3 scheduled to take effect in FY27. H2 is the first budget to reflect OB3-related impacts.

- The two most significant OB3-related changes taking effect in FY27 are: (1) implementing work requirements, and (2) accelerating the redetermination timeline from once every 12 months to once every six months. These changes will go into effect on January 1, 2027, and primarily affect the Medicaid expansion population (childless, non-disabled, non-pregnant adults under the age of 65).

- While the Governor projects that OB3 will result in an annual loss of $3.5 billion in federal funding and lead to approximately 300,000 individuals losing health coverage (both from MassHealth and the Health Connector), the full effects of these changes will not be realized until OB3 has been fully implemented, years from now. Because the most significant MassHealth changes will not begin until the second half of FY27, the OB3-related impacts reflected in H2 are relatively limited.

- Further, while one might expect the loss of health coverage caused by these changes to save MassHealth money, the actual savings are relatively minimal. The federal

matching rate for the Medicaid expansion population—the primary target of these changes—is 90%. Compared to the 50% federal match for most other MassHealth member populations, MassHealth spends relatively little to cover this population: just 10 cents on the dollar.

- Even though the full effect of these changes won't be realized for years, the administrative burden of preparing for these changes now is significant. H2 allocates approximately $30 million to support the significant administrative work required to implement these changes in a way that minimizes harm to MassHealth members. In particular, MassHealth anticipates the need to develop and refine IT systems, and to hire additional staff to help members and applicants navigate these changes and manage an expected 20% increase in call center volume. We commend the Administration for investing in this administrative effort; continued investment in member support will be essential to mitigating the harm these federally imposed changes will inflict upon MassHealth members and applicants.

- Although not reflected in H2, the FY25 close-out supplemental budget, signed on November 25, 2025, includes $10 million for Health Care For All (HCFA) to conduct an initiative similar to the effort it led in response to the resumption of MassHealth redeterminations after the COVID-19 public health emergency. Specifically, the funding is for HCFA "to work with community-based organizations to conduct health coverage enrollment assistance in targeted areas at risk of losing coverage due to new federally imposed reporting requirements", and includes vaccine outreach and education efforts (Chapter 73 of the Acts of 2025, line item 1599-0300). HCFA has until the end of FY27 to spend these funds. This is timely and important work, as OB3 requires MassHealth to begin reaching out to members about work requirements no later than September 2026. Work requirements and six-month redeterminations will put hundreds of thousands of MassHealth members at risk of losing coverage, primarily for administrative reasons. Clear, trusted communication and community-level enrollment and renewal assistance will be critical to preventing avoidable coverage losses. With its strong connections to trusted community organizations, HCFA is well positioned to lead this effort.

- Another OB3 change occurring in FY27, which H2 fails to address, is the October 1, 2026 change in eligible immigration status for comprehensive, federally-covered Medicaid. This change is expected to affect approximately 2,500 MassHealth members. While MassHealth could choose to continue to cover this relatively small and healthy population with state-only funds, MassHealth has not indicated any intention to do so, nor to otherwise mitigate the harm to this population, and appears to be prepared to terminate coverage for these members.

9. H2 authorizes additional spending on the Health Safety Net, which faces significant and growing funding shortfalls. (Sections 75 and 81)

- The Health Safety Net (HSN) is a state-funded program that reimburses acute care hospitals and community health centers for providing medically necessary services to uninsured or underinsured low-income residents. Every year, the legislature authorizes a transfer of up to $15 million from the Commonwealth Care Trust Fund (CCTF) to the Health Safety Net. H2 clarifies that the transfer in the GAA for FY 26 is in addition to the other authorized transfers for that year. H2 also authorizes a transfer of $15 million specifically from the employer assessment paid into the Commonwealth Care Trust Fund to the Health Safety Net for FY27 (outside sections 75 and 81).

- HSN is facing significant and growing financial challenges. In September 2025, in response to a projected $300 million shortfall in FY25, the Governor signed a $234 million relief package to support financially strained hospitals and community health centers, including $77 million for HSN. Still, HSN is projected to face shortfalls exceeding $210 million in FY26 and $240 million in FY27.

- Pending legislation, *An Act to Address the Financial Stability of the Health Safety Net* (H.1354/S.917), would address ongoing HSN deficits by requiring commercial health insurance carriers to share in the cost of Health Safety Net Trust Fund shortfalls and by increasing the state's required annual contribution to $60 million.

- Massachusetts anticipates that approximately 300,000 individuals will lose health coverage as a result of federally imposed changes to the Health Connector and MassHealth. This coverage loss is expected to increase financial pressure on hospitals and community health centers, which rely on HSN to help offset the cost of delivering uncompensated care. Massachusetts will need to continue evaluating both short- and long-term solutions to address the growing HSN funding deficit.

Homelessness Services

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
7004-0101	Emergency Assistance	$276,400,000	$258,600,000
7004-0108	HomeBASE	$57,300,000	$83,200,000
7004-0099	DHCD Administration	$16,000,000	$22,200,000
7004-9316	Residential Assistance for Families in Transition (RAFT)	$207,500,000	$201,200,000
7004-0100	Operation of Homeless Programs	$18,200,000	$27,800,000
7004-0102	Homeless Individual Shelters	$113,300,00	$114,000,000
7004-0104	Home and Healthy for Good Program	$8,900,000	$8,400,000
7004-0110	Family Shelter Diversion	New line item	$7,500,000

1. **Emergency Assistance (7004-0101) would be funded at $258.6 million,** a significant decrease from theFY26 final appropriation. The Emergency Assistance (EA) program provides emergency shelter and services to certain families with children who are experiencing homelessness and have no safe place to stay.

   In August 2023 the Healey-Driscoll Administration declared a shelter capacity emergency and since then, acting under emergency authority, has implemented a number of restrictions on EA shelter. The changes, which have been made through statute as well as agency guidance, have made it more difficult to access and artificially limited the length of time families can stay in shelter, regardless of whether or not they have a safe place to go. As a result of these policies, as well as federal actions restricting immigration into the United States, the number of families able to access EA shelter has dropped to near-historic lows - as of this writing, there were fewer than 1,500 families enrolled in the EA shelter program. Advocates will continue the fight to preserve the EA shelter system for children and families.

   - **House 2 preserves policies restricting access to shelter**, including narrowed immigration-related eligibility requirements, increased verification requirements, and limits on the availability of presumptive placements. Advocates will continue to work for a more balanced and humane system for children and families.

   - **House 2 removes certain earmarks** from the line item.

2. **HomeBASE (7004-0108) would be funded at $83.2 million,** an increase over the FY26 general appropriation but below actual FY26 spending. HomeBASE was created in FY12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

    - **House 2 retains the HomeBASE benefit limit** of $30,000 over a 24-month period and requires the Executive Office to provide benefits of up to $15,000 for an additional 12-month period for eligible families. Over the past year the Executive Office has indicated it will not make payments beyond 24 months. Advocates will work to ensure eligible families receive the 3rd year of benefits, in accordance with the line item language.

    - **House 2 proposes to eliminate required reports to the legislature about HomeBASE**, including the number and demographics of families served and how many families return to EA shelter. Advocates will continue to push for this important language.

3. **Executive Office Administrative line item (7004-0099) would be funded at $22.2 million**, an increase over the FY26 final appropriation.

    - **House 2 proposes to eliminate a requirement** that the Executive Office promulgate and enforce regulations clarifying that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing. This language has been included in budgets for the past several years, including the enacted FY26 budget. Advocates will work to ensure this language continues to be included.

    - **House 2 retains language** requiring the Executive Office to maintain in-person intake locations in the 10 offices that were open as of January 2026.

    - **House 2 proposes to eliminate language** requiring the Executive Office to report to the legislature, including information about local intake offices, staffing levels at each office, and wait times families are experiencing for direct communication with a staff member.

4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at $201 million**, a decrease from the FY26 final appropriation. RAFT is a homelessness prevention program.
    - **House 2 proposes eliminating language** that allows for up to $3 million for recipients who fall under an expanded definition of "family" which includes unaccompanied youth, elders, persons with disabilities, and other households. Advocates will push for expanded benefits for all household compositions.
    - **House 2 would continue to permit the Executive Office to require a Notice to Quit for households seeking assistance from RAFT.** This poses a significant barrier for many in need of assistance and increases the risk of eviction. Advocates will continue to push for a change to this policy to make RAFT available further upstream.

5. **Homelessness operations account (7004-0100) would be funded at $27.8 million**, an increase over the FY26 final appropriation.

6. **Shelters and services for homeless individuals (7004-0102) would be funded at $114 million,** an increase over the FY26 final appropriation.

7. **Home and Healthy for Good program (7004-0104) would be funded at $8.4 million**, a slight decrease from the FY26 final appropriation. This program provides housing for chronically homeless individuals.

8. **Family Shelter Diversion (7004-0110) is a new line item that would be funded at $7.5 million**. The Executive Office has indicated that this funding was previously incorporated into the Emergency Assistance Family Shelters and Services line item (7004-0101).

Housing

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
7004-9005	Public Housing Operating Subsidies	115,600,000	$117,810,000
7004-9007	Public Housing Reform	1,250,000	1,269,215
7004-9024	Massachusetts Rental Voucher Program	$253,311,840	278,341,728
7004-9030	Alternative Housing Voucher Program	$19,461,214	19,263,183
7004-3045	Tenancy Preservation Program	$0	$0
0321-1800	Access to Counsel	2,500,000	2,500,000

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides operating funds for state public housing, would be increased under H.2 from $115.6 million to **$117.8 million -** a **$2.2 million increase.** Public housing residents, public housing authorities, and supporters are requesting an **increase to $132.5 Million** in FY27 to keep pace with increased costs and the need to maintain public housing. As the Executive Office of Housing and Livable Communities said during its budget briefing – the state's public housing is one of the state's most effective affordable housing programs.

   The operating subsidy also continues to include language that requires the administration to make efforts to rehabilitate housing authority family units in need of repairs requiring $10,000 or less, although more funds are needed. With thousands of public housing units off line and waiting lists for public housing growing, it is critical for EOHLC to bring vacant units back-online to provide more permanent housing resources for very low-income people on the waiting list.

2. **Public Housing Reform (item 7004-9007)** would be increased slightly by **$19,000 to $1,269,215**. The line item provides funds to implement chapter 235 of the Acts of 2014 which includes training for resident commissioners as well as funding the implementation of CHAMP (Common Housing Application for Massachusetts Programs). Public housing tenants and their supporters are urging that an additional $350,000 and supporting language be included in this line item to provide tenants with the technical assistance they need to navigate complicated public housing redevelopment deals and to support implementation of Section 35 of the Affordable Homes Act which protects tenants during public housing redevelopment.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024**) which provides long-term rental subsidies to approximately 10,000 low-income households for use in the private housing market would **be increased from $253 million to $278 million**. EOHLC expects over 11,500 rental vouchers to be leased by the end of FY27, including over 340 new additional project-based vouchers, but no new mobile vouchers will be created.

- As part of Governor's Healey's state budget for fiscal year 2026 and in response to a difficult state fiscal situation, EOHLC paused issuance of mobile MRVP vouchers via CHAMP in order to stay within the proposed appropriation while maintaining our commitment to current voucher holders and retaining our ability to support project-based vouchers for new housing development. As of now, that pause is still in place.

- EOHLC has shifted MRVP to a "payment standard model" similar to Section 8 giving more choice and flexibility to households. For details on the new system see the MRVP Admin Plan at https://www.mass.gov/doc/mrvpadministrative-plan-2017/downloads

- H2 makes some big changes to MRVP policies, some of which may be cause for concern which we will need time to analyze. In brief:

  a) In the FY26 budget "not less than" 75% of new vouchers were to be targeted to households with incomes at initial occupancy that did not exceed 30% of area median income (AMI). H2 changes that to "up to" 75% (which was what former Governor Baker had proposed) and it triggers at initial eligibility rather than occupancy. We're not sure the change will make much difference in the incomes of folks who apply to and receive vouchers, and not sure of the impact that the change from "occupancy" to "eligibility" will have– but more to learn.

  b) H2 continues to give EOHLC discretion to set payment standards using the small area fair market rent (SAFMR)**.** We welcome the inclusion of SAFMRs as they allow a wider range of choices for voucher holders. EOHLC has thankfully used this discretion to set payment standards at 110% of SAFMR, mirroring many Section 8 payment standards This will allow more people to make use of their vouchers, especially in higher rental markets.

  c) H2 also removes a number of reporting requirements, most of which are covered in other areas of reporting. One worrying reporting requirement that has been stripped that should still be reported on is "actions taken by the executive office to reduce the wait time for households to lease up their voucher." We know that this is a major problem for voucher holders and the administration should continue to be required to report on what they are doing to address this issue.

- Lastly, H2 removes the ability for unspent FY2026 dollars from this line item to carry over into the new fiscal year although we hear there are no unspent dollars from last year. It is important to note that any unspent dollars are likely due to the struggles of people to access and use their vouchers and not due to lack of need. As we continue to advocate for program improvements to address this issue, we think funds should continue to be rolled over into the new fiscal year.

4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. H2 would **provide $19 million** which would be close to **level funding** from last year's appropriation. The Governor's language removes certain reporting requirements from the line item.

5. **Tenancy Preservation Program (TPP) (item 7004-3045) was not funded for a second year.** According to EOHLC, MassHousing, which is the agency that runs the program, is currently supporting TPP. TPP is a homeless prevention program that helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges, TPP works with individuals and families who are facing eviction as a result of behaviors related to a disability. Case managers locate services and develop and monitor case plans to maintain the tenancy and keep tenants in permanent housing to prevent tenants from becoming unhoused.

6. **Access to Counsel (item 0321-1800) was level funded at $2.5 million**. Last year, the line item language removed the word "pilot" putting this on a path for a stable program.

   Under this line item, funds are distributed by the Massachusetts Legal Assistance Corporation (MLAC) to designated non-profit organizations to increase access to legal representation for low-income tenants and low-income owner occupants in eviction proceedings. In the first year of the program, MLAC reported that **in 97% of closed cases, the tenant had a positive outcome where the eviction was either prevented or the tenant received more time to move**. See FY25 Access to Counsel Report.

   The budget language further provides that the program is "subject to appropriation," mirroring language in bills filed by Senator DiDomenico (S. 968) and Representative Rogers and Representative Day (H.1952) which seek to make a statewide access to counsel program permanent.

7. **Outside Section 53 - Streamlined Disposition of Public Housing**: Amends Chapter 705 and removes a required 2-year waiting period for the disposition of state-aid scattered site single family public housing while preserving all other safeguards. According to EOHLC, this would allow these homes, which are in serious disrepair, to be consolidated into existing redevelopment projects.

8. **Outside Section Section 72 - Alternative Housing Voucher Program**: Replaces the 1995 law (Section 16 of Chapter 179 of the acts of 1995) with a less detailed version governing the Alternative Housing Voucher Program (AHVP) (mobile vouchers or project-based vouchers for low-income persons with disabilities) that provides that EOHLC shall promulgate regulations and may issue guidelines to administer the program. Provides EOHLC latitude in regulations and guidelines to establish: (i) income and asset requirements for applicant eligibility; (ii) requirements for program participants to pay a percentage of their income toward rent; (iii) methods for calculating payment standards and subsidy amounts and

exemptions to payment standards deemed necessary by the executive office; (iv) administering the program through administrative agencies, which may include local and regional housing authorities and non-profit organizations; and (v) conditions for program participation and termination. Decouples AHVP eligibility from c. 121B

Office of Refugees and Immigrants (Legal Assistance)

Account	Description	FY 26 General Appropriation	FY 27 Governor's Budget
4003-0124	Immigrant Legal Assistance Fund	$5,000,000	$5,000,000

1. **House 2 provides level funding for the Massachusetts Office of Refugees and Immigrants' Immigrant Legal Assistance Fund**. This funding is granted to designated nonprofits to increase access to legal assistance for immigrants and refugees in Massachusetts and is focused on providing free legal defense to low-income immigrants at risk of deportation, particularly those in federal detention.