MLRI MASSACHUSETTS LAW REFORM INSTITUTE
99 CHAUNCY STREET
SUITE 500
BOSTON, MA 02111
617.357.0700 PHONE
617.357.0777 FAX
WWW.MLRI.ORG

The Governor's FY 2013 Budget Proposal: Preliminary Analysis of Selected Housing and Homelessness, Cash and Nutrition Assistance, Health, Child Welfare, and Child Care Items

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On January 25, 2012, Governor Patrick released his budget proposal for fiscal year 2013 (FY 13), which is referred to as House 2.

House 2 does not propose major cuts in benefits or eligibility for most of the accounts discussed here, *except for the two main accounts serving homeless children and their families.* House 2 would make most homeless children and their families *ineligible* for both emergency shelter and temporary rental assistance, rending the safety net for homeless families with children. House 2 does include important increases to other housing-related programs, but it would not ensure that homeless children and their families who would be rendered ineligible for shelter will be housed instead. Programs level funded in the Governor's proposal would actually be cut relative to inflation, but without the major changes in benefits and eligibility proposed for the children and families homelessness accounts.

Homeless Services

1. **Emergency Assistance (item 7004-0101) for homeless families with children – Administration proposal would deny shelter to most homeless families.**

   - The Emergency Assistance (EA) program currently provides emergency shelter to families who are already homeless and who the Department of Children and Families has verified have no other safe and stable place to stay. It also provides these families with help looking for permanent housing, short-term housing subsidies and moving expenses. Currently, homeless families are terminated from shelter if they do not cooperate in finding housing or trying to increase their incomes, but they are allowed to stay in shelter while they look for housing if they have no other safe place to stay with their children. House 2 proposes to eliminate or drastically curtail currently available services.

   - **House 2 proposes to impose an 8-month time limit on emergency shelter, without regard to whether the family will have a safe place to live at the end of the 8 months.** The only possible exception is for those who might qualify for a discretionary extension due to a disability. Currently, many families are unable to find housing and therefore need to stay in shelter for as long as 2 years or more. This proposal would result in thousands of children and their families being turned out on the streets due to no fault of their own. As written, the provision would result in thousands of families currently in emergency shelter being subject to termination as of July 1, 2012.

- **House 2 also proposes to deny access to emergency shelter to most homeless families.** The only families who could get into shelter would be those who are (1) at risk of domestic violence in their current housing, (2) are homeless as a result of natural disaster or fire, (3) were evicted from their prior housing due to foreclosure, condemnation, or nonpayment of rent as a result of a recent loss of income that was due to a job loss or medical condition, or (4) in a double-up situation that presents a "substantial health and safety risk that would likely result in a significant detriment" if the family remains there.

- Families who would be rendered ineligible would include (1) families who struggled to avoid entering shelter earlier by trying to retain private market housing that was simply unaffordable from the outset – even though most private market housing in Massachusetts is unaffordable for very low income families; (2) families whose housing became unaffordable due to a reduction of work hours or pay rate, the loss of a source of unearned income, or an increase in family expenses; (3) families who have been doubled up with others but are no longer allowed to stay by their former hosts or whose presence may cause the host family to be evicted; and (4) families who became homeless because they previously fled a domestic violence situation. These and other currently eligible families with children would be denied access to emergency shelter **even though, by definition under current EA rules, they haveno safe and reliable place to stay.**

- **House 2 proposes even more dramatic restrictions than were proposed for FY 12.** For fiscal year 2012, the Administration also proposed to deny most homeless families with children access to emergency shelter but proposed to provide at least some of them with a rental subsidy lasting up to 3 years instead, through what it calls HomeBASE (item 7004-0108). Thankfully, for FY 12, the Legislature rejected the Administration's attempt to end shelter access for those with no other options, but approved the HomeBASE program to provide alternatives to shelter for families otherwise eligible for EA. **Under House 2, families who would be rendered ineligible for emergency shelter would not even have a chance at temporary rental assistance, since House 2 proposes to stop providing HomeBASE rental assistance after July 1, 2012 and proposes no new initiatives to ensure that homeless families will obtain permanent housing** (see discussion below).

- House 2 proposes to fund EA at just over $100 million for FY 13, compared to projected FY 12 spending of more than $119 million.

- **House 2 omits language barring eligibility or benefits restrictions except after 60 days advance notice to the Legislature.** This language has been critical in prior years to giving the Legislature time to ensure that access to shelter and housing assistance for children and their families is not unduly restricted.

2. **HomeBASE (item 7004-0108) access and benefits would be dramatically curtailed, even though it would be funded at more than $83 million.**

- This program was created last year – at the Administration's urging – and touted as a key to ending family homelessness. As authorized for FY 12, the program primarily provides up to 3 years of rental assistance – costing less per month than shelter – to families otherwise eligible for emergency assistance. A small subset of eligible families are provided $4,000 over a period of a year to secure housing or stay housed, but HomeBASE providers and families have concluded 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.

- **Most families would be denied any meaningful HomeBASE assistance.** In an apparent admission that the original program design was fundamentally flawed, the Administration proposes that beginning July 1, 2012 no additional families will be able to get rental assistance as an alternative to shelter and those who received it prior to July 1 will have the maximum period of assistance reduced from 36 months to 24 months and then be barred from emergency shelter for 12 months. The only financial benefit that would be available on and after July 1, 2012 for new families is a maximum of $4,000 in a one-year period, and families who receive this benefit would be barred from any further HomeBASE help for a full year after the funding runs out or any related stabilization services end. Most families receiving the $4,000 would also be ineligible for emergency shelter after the $4,000 runs out, under the proposed new EA rules. The only families who could access even this limited benefit are those who would fit into the same narrow categories to which EA eligibility would be restricted.

- For FY 12, HomeBASE is funded at close to $56.8 million. For FY 13, the Governor proposes to fund it at close to $83.4 million, notwithstanding the substantial curtailment of the program. Presumably, most of this funding will be needed to pay providers and continue rental assistance during FY 13 for those approved for it before July 1, 2012.

3. **Shelters and services for homeless individuals (item 7004-0102) would be level funded at $38.9 million,** a slight increase over current FY 12 funding**.** Individuals, in contrast to most families with children, would not be barred from accessing shelter. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be funded at $2.2 million,** as compared to $1.2 million for FY 12**.**

4. **The DHCD homelessness administrative account (item 7004-0100) would be funded at just under $6 million,** an increase of approximately $1 million as compared to FY 12.

Housing

1. **Public Housing Operating Subsidies (item 7004-9005),** which help housing authorities meet the expenses of maintaining the state's public housing units, **would receive a much-needed $4 million increase to $66.5 million.** Without additional funding, units in need of repair will continue to stay offline. The proposed line item directs the administration to make efforts to rehabilitate family public housing units that need less than $10,000 in repairs. These units, which may be vacant, are vitally needed to address the lack of affordable housing and the critical problem of family homelessness.

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 receive a much-needed $10 million increase and be funded at $46 million.** Income eligibility would be set at 50% of area median income, instead of 200% of the federal poverty limit, which would benefit those in communities with higher rents and higher incomes.

   - The proposed line item would direct that not less than $1.16 million will be available for an MRVP supportive housing program to provide supportive services, including case management services, to households with at least one child under age 21. But, there is no provision for ensuring that families experiencing homelessness who would be denied emergency shelter and HomeBASE under House 2 will receive MRVP assistance. Furthermore, the proposed $1.16 million pales in comparison to the proposed cuts to services for families with children who are experiencing homelessness.

   - Last year, the budget provided a maximum administrative fee of $32.50 per voucher per month. This proposed line item refers only to a "base administrative fee" and does not specify an amount. Additionally, some of the increased funding for MRVP could go to funding for administration for those who choose to administer the MRVP supportive housing program or an MRVP self-sufficiency program which is not clearly described.

3. **The Rental Assistance for Families in Transition (RAFT) program (item 7004-9316) would be redesigned and funding would be dramatically increased from $260,000 in FY 12 to $8.76 million.** RAFT provides homelessness prevention services for families. At its height, it was funded at $5.5 million. House 2 would allow eligible families to receive up to $4,000 in any 12 month period and would target 65% of the increased funding to families with incomes below 15% of area median income, who desperately need housing assistance. In order to receive the $4,000, a family would have to prove that it has secured new income or has had a change in circumstances and that the RAFT payment will enable the family to retain housing, obtain new housing or otherwise avoid homelessness. While the proposed increase in RAFT funding is very welcome, the experience with HomeBASE (item 7004-0108, discussed above) shows that very few extremely low income families can be housed with only $4,000 per year and it is not clear how families with incomes below 15% of area median income will be able to show

the required change in circumstances.

4. **The Alternative Rental Voucher Program (item 7004-9030) would be level funded at $3.45 million**. Language in the line item specifies that this program is for younger, disabled households. The proposed line item also allows DHCD to determine the amount of administrative fees. Last year, the budget provided a maximum administrative fee of $25 voucher per month. An annual report, as required in last year's budget, would no longer be required.

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 an increase from $250,000 to $700,000.** Given the great need to prevent evictions and homelessness, this increase is very important.

7. **Housing Services and Counseling (item 7004-3036) would be level funded at almost $1.5 million.**

8. **The DHCD Administrative account (item 7004-0099) would receive a $322,000 increase** over FY 12 funding. Language inserted by the Legislature in FY 11 and FY 12 requiring DHCD to have regulations ensuring that homeless households with only temporary housing subsidies retain priority for permanent state housing resources is omitted.

Cash Assistance, SNAP and Related Items Administered by DTA

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

    - **Clothing allowance amount not specified but intent is to pay $150 per child.** For many years, the TAFDC program provided an annual clothing allowance of $150 in September for each child receiving TAFDC. Last year, the Governor proposed eliminating the clothing allowance. The Legislature included the clothing allowance in the FY 12 budget in July at $40 per child per year and restored it to $150 in a supplemental budget in the fall. The Governor's House 2 proposal says that a clothing allowance "may be paid in September" and does not state a specific amount. However, DTA says that the intent is to pay $150 per child in September.

    - **Transportation allowance for employed TAFDC recipients.** House 2 authorizes a $40 transportation allowance to be paid from the TAFDC account for "non-exempt households meeting work program requirements." Currently, DTA provides a transportation allowance of up to $40/month (paid for from the Employment Services line item) for TAFDC recipients in education, training, or job search. The House 2 proposal wisely provides the allowance to recipients who are doing paid work as well as those participating in other activities, as DTA did in prior years. But unlike the current allowance, the Governor's proposal would limit the $40 payment to recipients who are subject to and in compliance with the work requirement, thereby discouraging other recipients from participating in work activities and making it harder for those meeting some but not all of the required hours to come into compliance. The state's work participation rate could be improved if more families were made eligible for this modest benefit.

- **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at $318.9 million, $5.3 million less than the FY 12 appropriation**. DTA says that the caseload is expected to go down this year and projects that the House 2 amount will be enough to maintain TAFDC benefits at current levels and pay the $150 September clothing allowance and the new transportation allowance.

- **The line item does not include language included in final budgets in previous years requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** It is common for Governors to omit this language and for the Legislature to restore it. The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. And in FY 10 it 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 Employment Services Program (ESP, item 4401-1000) would be level-funded at $7.1 million.** This program, funded at $15 million in FY 11, has been reduced dramatically from previous years. Currently, the program funds the Young Parents Program; some education and training for TAFDC parents; the DTA Works Program (paid internships at state agencies); no more than $40 a month in transportation assistance for recipients in education, training or job search; GED testing; learning disability assessments; and job search services for parents with limited English proficiency. The Governor's proposal does not specify the programs that would be funded. DTA says that if the final budget does not include the transportation allowance proposed for item 4403-2000, it would expect to continue to use some ESP funding for transportation.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $88.3 million.** This is about $700,000 less than FY 12, reflecting DTA's projection that the caseload will go down. Like TAFDC, the Governor's proposed budget does not include current and previous year's language requiring advance notice before benefits are cut.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $237.9 million,** an increase of $4 million over projected spending of $233.9 million for FY 12 for this account. But the Governor proposes to consolidate this account with item 4110-1010, which is providing $8.4 million for aid to the blind in FY 12, so total funds for the two accounts are proposed to be reduced by $4.4 million. The reduction appears to be based on projected savings from transferring administration of the SSI state supplement from the Social Security

Administration to the University of Massachusetts Medical Center.

- **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.**

2. **Teen Living Programs (item 4403-2119) would be funded at $7.1 million,** a small increase from FY 12 funding of $6.6 million. DTA acknowledges that the proposed amount is actually a decrease of about $430,000 from maintenance funding.

3. **DTA administration**

- **The DTA worker account (item 4400-1100) would be increased to $64.2 million,** compared with the FY 12 appropriation of $57.5 million. The increase will allow the state to continue to pay for some workers who were added in FY 12 with one-time funding not included in the appropriation but falls short of what is needed to address unmanageable SNAP and cash assistance caseloads. Low income individuals and families would continue to experience unacceptable problems accessing statutorily mandated benefits under the Governor's proposed appropriation.

- **DTA central administration (item 4400-1000) would be increased by $2.5 million to $55.6 million.**

- **The account to increase SNAP participation (item 4400-1001) would receive a small increase to $3.2 million.** Part of this account pays for a grant to Project Bread.

- **DTA domestic violence workers (item 4400-1025) would receive a very small increase to $782,222.**

4. **Funeral expenses**

- **Outside section 12 would retain the $1,100 cap on funeral payments but would disallow payments towards funeral expenses if the total funeral cost is more than $3,500.**

5. **Increased fraud investigation**

- **Item 0710-0300 would provide an additional $468,950 to the Bureau of Special Investigations to develop "data analytic techniques" to identify fraud.** A press release from State Auditor says the money will help uncover fraud and abuse in state benefit programs.

Nutrition Programs

1. **As discussed above, the small increase in DTA funding for workers is insufficient to manage the increased SNAP caseload and need.**

2. **The state subsidy for Elder Nutrition Programs (item 9910-1900) would be cut by $1.5 million to $4.8 million, a 24% reduction.** This would eliminate over 240,000 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) would be level funded at $12.3 million.**

4. **The Massachusetts Emergency Food Program (MEFAP, item 2511-0105),** which supplements the federal TEFAP funding, would be level funded at $11.5 million, despite a significant increase in demand for emergency food at all food pantries throughout the Commonwealth.

Selected Health Issues in MassHealth and Commonwealth Care

1. **Eligibility, benefits and affordability preserved for MassHealth**

   - **The Governor's proposed FY 13 budget includes $606 million in cost control initiatives but preserves MassHealth eligibility and services for 1.3 million members.** The Office of Medicaid primarily looks to a series of cost control initiatives directed at providers and managed care plans along with program integrity initiatives to control spending in FY 13 as it did in FY 12. Like the FY 12 budget, the Governor's proposal would authorize "restructuring" of optional benefits with 90 days advance notice to the legislature (Outside section 26) and closing enrollment in MassHealth Essential with 90 days advance notice to the legislature (item 4000-1405); however, budget summary documents indicate no such cuts are contemplated for FY 13. The CommonHealth account was reorganized but not cut; it now reflects only fee for service spending in item 4000-0430 with spending for CommonHealth members in managed care moved to the managed care account (item 4000-0500).

   - **The proposed FY 13 budget includes $10.951 billion for MassHealth, allowing for approximately 5% spending growth from FY 12 estimated spending.** The proposed increase in funding for MassHealth would accommodate projected enrollment growth of 2.8%.

2. **Legal immigrants to be fully integrated into Commonwealth Care**

   - **The Supreme Judicial Court's decision in the *Finch* case requiring equal treatment for legal immigrants restored Commonwealth Care coverage to up to 37,000 adults.** In January 2012, the SJC ruled that the 2009 law excluding certain legal immigrants from Commonwealth Care was unconstitutional. As a result, the program will be available to legal immigrants for part of fiscal year 2012 (the date it will reopen has not yet been determined) and all of future fiscal years. Commonwealth Care enrollment is expected to increase by approximately 24,000 previously uninsured new members, and about 13,400 individuals who had been enrolled in the less costly Bridge program since 2009. The Administration estimates that the addition of these members to Commonwealth Care will increase the program budget for FY 13 by over $150 million. According to budget documents, the Health Insurance Connector Authority, responsible for running Commonwealth Care, will look to "aggressive cost containment" rather than benefit cuts or copayment increases to stay within its budget for FY 12 and FY 13.

- **Increase in fund transfer to the Commonwealth Care Trust Fund (item 1599-5819).** The FY 12 final budget transferred $728 million from the General Fund to the Commonwealth Care Trust Fund, but budget documents show projected FY 12 spending at only $687.4 million from this source. The Governor proposes to increase the fund transfer for FY 13 to $737.1 million. In addition, the Governor proposes that increased revenue from increasing the tax on cigarettes and other tobacco products be targeted to the Trust Fund. The Trust Fund also receives revenue from fair share and individual mandate tax penalties and other sources and is used for programs in addition to Commonwealth Care, including the Health Safety Net. The proposed FY 13 budget for Commonwealth Care is $974 million.

- **Increased Tobacco Tax helps fund Commonwealth Care (Outside section 9).** Outside section 9 would create a number of new taxes, including a tax on candy and sugary beverages, a 50 cent per pack increase in the cigarette tax, and an extension of the previous and new tobacco tax increases to other tobacco products. The new tobacco taxes would generate approximately $72.9 million, to be deposited into the Commonwealth Care Trust Fund.

3. **Adult Dental Cuts Continue (Outside section 28).** The budget authorizes the continued limitation of MassHealth and Commonwealth Care Plan Type-1 adult dental services to preventive cleanings and emergency extractions.

4. **No funding for Community-based Outreach, Enrollment, and Retention grants.** For many years the state provided $2 million to $3 million dollars in grants for community-based organizations to help residents obtain affordable health insurance. No funding was included for outreach grants in FY 12 and there is no provision for them in the Governor's FY 13 proposal. Outreach grants authorized in FY 11 expired in December 2011.

5. **New initiatives for MassHealth operations and implementation of national health reform (items 4000-1602 and 4000-1604).** A new line item, 4000-1602 would authorize an additional $2 million for MassHealth operational services to ensure timely processing of MassHealth applications and redeterminations. With the growth in enrollment and steady decline in administrative funding, MassHealth operations have been falling short of federally mandated timeliness requirements. Proposed item 4000-1602 would provide much needed funding. An additional $3.125 million would be authorized by item 4000-1604 to develop systems necessary to upgrade eligibility operations in advance of health care reform. By 2014 Massachusetts will be required to make major adjustments to be prepared to implement the federal Affordable Care Act and take advantage of significant new sources of federal revenue.

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

1. **The Governor proposes funding DCF at $770.9 million, an increase of $26.6 million over FY 12 appropriations.** This is a $25.9 million increase over projected FY 12 spending.

2. **The Governor proposes a total increase of $13.8 million for the department's three services accounts. A significant portion of these increases in two of the three services accounts (4800-0041 and 4800-0040) is to fund rate reform for EOHHS service providers mandated by chapter 257 of the Acts of 2008.** Chapter 257, An Act Relative to Rates for Human and Social Service Programs, requires EOHHS to establish a unified and reasonable rate structure for the providers with which its agencies contract. The Governor proposes to allocate additional funds under Chapter 257 at this time because DCF and DMH have recently developed a joint procurement system to coordinate the provision of and contracting for services to clients served by both agencies.

    - **The Governor would fund the account for Services for Children and Families (item 4800-0038) at $248.2 million, an increase of $4.9 million over the final FY 12 appropriation.** This is $10 million more than DCF's projected FY 12 expenditures. The primary component of this increase is to raise foster care rates to the USDA levels for Urban Northeastern regions. On average, this would result in a 20% increase in foster care rates.

    - **The Governor proposes to increase the new Family Support and Stabilization account (item 4800-0040) by $4.8 million to $44.6 million.** This account, which was added in FY 11, funds services needed to keep children safely in their homes or to return home safely. 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, and this increase would be a small step towards righting that imbalance. In FY 12, DCF plans to transfer $3.6 million into this account from items 4800-0038 and 4800-0041. The Governor's proposed total increase would continue current projected spending into FY 13 and would add an additional $1.2 million for chapter 257 rate reform.

    - **The Group Care account (item 4800-0041) would be increased by $4.1 million to $200.2 million.** This is $3.5 million more than current projected spending.

3. **DCF's administrative account (item 4800-0015) would be funded at $69.3 million, a much-needed increase of $4 million over FY 12 funding.** This would restore administrative funding to FY 10 levels, but still represents a decrease of over $8 million over the past five years – a trend that has threatened the agency's ability to perform its core functions. The increase would cover rising fixed costs and salary increases for management level employees.

    - **The Governor also proposes to allow DCF to transfer funds among the services**

accounts and the lead agency account (4800-0030). In past years, the Legislature has reduced the lead agency account from the Governor's proposed funding levels. The Governor has requested but not secured legislative authorization to transfer funds into the lead agency account in FY 12.

4. **The Governor proposes to increase current funding for lead agencies (item 4800-0030) from its current $9.3 million level to $10.2 million, an increase of $915,000 over FY 12.** Lead agencies are regional nonprofits that contract for services but do not actually provide services themselves.

   - **The Governor's proposed language in the administrative account would strip current and longstanding reporting requirements from DCF's administrative account which the Legislature requires to fulfill its oversight responsibilities.** Among these are requirements that the Department report on the services it provides to keep children safely in their homes, to support kinship families and to maximize federal reimbursements available to support kinship guardianships. **The FY 12 budget included a requirement that DCF develop a plan to clear up its very large administrative hearings backlog and revise its regulations to make its hearing system more timely, independent and fair.** Although the deadline for these two requirements was October 3, 2011, the Department has not yet complied. DCF says that it will produce the plan and regulations within the next two weeks.

5. **The Governor proposes to increase funding for social workers (item 4800-1100) from $162.1 million in FY 12 to $168.9 million, an increase of $6.8 million.** A supplemental budget enacted in FY 12 restored social worker positions lost mostly during FY 11. The FY 13 increase the Governor proposes represents the annualized cost of those new workers' salaries so the Department can keep them on staff in FY 13. The Department does not anticipate this additional funding will reduce caseloads for social workers.

6. **Services to victims of domestic violence (item 4800-1400) would be funded at $21.4 million,** an increase of $726,000 over FY 12 funding. This is to fund the Chapter 257 rate reform described in paragraph 2 above. The proposed amount would be a $2 million decrease from five years ago. This account provides beds for 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.

7. **The Office of the Child Advocate (item 0411-1005) would be level funded at $243,564.** The Office of the Child Advocate was created by Executive Order in March of 2008. The legislature expanded the Child Advocate's responsibilities in G.L. c. 18C, charging her with wide-ranging duties including monitoring, examining and making recommendations to the Governor regarding the provision of services to and the treatment of children in the care or custody of state agencies. The meager budget for this office, which the Legislature reduced from its original inadequate level of $300,000, severely challenges the Child Advocate – a former juvenile court judge – in carrying out the ambitious mission that the Governor established and Legislature expanded.

8. **Outside section 6 entitled "Improve Services to Children, Youth and Families," would require sharing of client information among EOHHS agencies and between EOHHS and the Executive Office of Education (EOE).**

- These data sharing proposals were developed by the Governor's Children, Youth and Families Advisory Committee with the goal of coordinating service delivery for Massachusetts children and families. Questions remain as to whether the data sharing protocols would improve services and whether they would adequately protect the confidentiality and privacy rights of EOHHS and EOE clients. The answers will emerge from the details of implementation and will requiring monitoring over time.

- **Item 4000-0051 would provide just under $3 million for this initiative.**

- Outside section 6 would authorize EOHHS to implement "activities to improve services provided by the commonwealth for children youth and families and the delivery of those services." Such activities could include improving coordination and integration among child-serving agencies, data sharing and other activities to improve access to services, customer service, care coordination, and accountability for child outcomes.

- Outside section 6 would also require EOHHS agencies to disclose to EOHHS and other EOHHS agencies personally identifiable data about individuals who have applied for or receive benefits from them in order to (1) identify individuals receiving benefits or services from more than one EOHHS agency or entity, (2) coordinate or manage the programs, benefits or services a family may or does receive from those agencies, and (3) create and maintain a client identifier system across all EOHHS agencies and entities. Similar information sharing would be required between EOHHS and the Executive Office of Education and local education agencies with the goal of improving educational opportunities for children receiving services from EOHHS agencies.

- EOHHS and EOE would be required to adopt regulations to authorize the exchange of personal data between them. For disclosure between its agencies, EOHHS would be required to "adopt additional regulations as necessary" and only "to the extent that applicable federal and state law does not authorize such information sharing."

- This proposal requires that any regulations filed under this section be filed with the Secretary of State within 90 days after the effective date of the FY 13 budget, and that a public hearing be held.

Child Care

1. **As in past years, the Governor proposes to consolidate the three child care subsidy accounts into one (item 3000-4060), funded at $434.7 million.** This includes **TAFDC-related child care (currently item 3000-4050), Income Eligible Child Care (currently item 3000-4060) for low income families who are not current or recent TAFDC recipients,** and **Supportive Child Care (currently item 3000-4060)** for families with an

active case with the Department of Children and Families (DCF)**.** The Governor has previously proposed consolidation and the Legislature has rejected it.

- **The proposed combined funding is $8.1 million less than the final funding for these accounts in FY 12.** The income eligible waitlist has been frozen for most of this year; even families with urgent priorities cannot get child care. Supportive child care has never been funded at a level sufficient to provide care to families who, with child care, could avoid the need for DCF involvement in the first place. And, because of tight funding for TAFDC-related child care, DTA has been unwilling to adopt policies authorizing child care for TAFDC children whose parents are not receiving cash assistance for themselves, even where the child care could enable the family to leave TAFDC. Currently, about 20,000 families are on the wait list for child care. The Governor says that the proposed reduction would increase the child care waitlist to approximately 30,000 families.

- **The proposed line item does not include longstanding assurances of child care for current and former TAFDC recipients, and does not include a longstanding provision that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees.**

- The Governor's proposal also does not include longstanding provisions assuring child care for the children of teen parents who are not receiving TAFDC.

- The line item would allow transfers from items 3000-4050 (TAFDC child care) and 3000-3050 (supportive child care) even though those line items would be eliminated. This may suggest that the Governor expects that the Legislature will again reject his proposed consolidation.

2. **Early Ed and Care central administration (item 3000-1000) would receive a small increase to $12.2 million. Child Care Resource and Referral Agencies (item 3000-2000) would be level funded at $5.9 million.**

3. **Head Start (item 3000-5000) would be level funded at $7.5 million.**

4. **Pre-kindergarten (item 3000-5075) would be level funded at $7.5 million.**

5. **Services for Infants and Parents (item 3000-7050), which was consolidated in FY 12 with the account to improve the quality of care, would be level funded at $18.2 million.**

6. **Mental health consultation services for child care providers (item 3000-6075) would be level funded at $750,000.**

7. **A new initiative, Gateway Cities Early Literacy Programs (item 7009-6403), would provide $575,000 for professional development for family child care providers and support for families whose children are enrolled in family child care programs in Gateway Cities – the older industrial cities in Massachusetts.**

8. Full day kindergarten grants (item 7030-1002) would be increased by $3 million to $25.9 million.

For more information please contact Deborah Harris, dharris@mlri.org, 617-357-0700 x 313.