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The Governor's FY 2015 Budget Proposal: Preliminary Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Health Care, Homelessness Services and Housing Items

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On January 22, 2014, Governor Patrick released his budget proposal for fiscal year 2015 (FY 15), which is referred to as House 2. MLRI offers this preliminary analysis of selected budget topics impacting low-income residents of the Commonwealth.

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

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

- **The Employment Services Program (ESP, item 4401-1000) would be funded at only $7.4 million, less than FY 14 funding of $7.7 million.** The proposed amount is also less than half of FY 11 funding and less than one-fifth of the $36 million appropriated in FY 02. As is often the case, the Governor does not propose any earmarks for this account. Currently, the program funds the Young Parents Program; some education and training for TAFDC parents; the DTA Works Program (paid internships at state agencies); no more than $40 a month in transportation assistance for recipients in education, training or job search; learning disability assessments; and job search services for parents with limited English proficiency. Without earmarks, there is a real risk that Administration would not allocate any funds for transportation and would cut education and training even further. The pending welfare bills would add additional funds for job placement for TAFDC recipients, but no funding to help recipients get the education and training they need to get jobs and no funding for transportation or other work supports other than child care.

- **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at $263.8 million, $38 million less than the FY 14 appropriation.** The caseload has been coming down as the recession ameliorates (and perhaps also as more families face bureaucratic denials of benefits) but it is too soon to project that the Governor's proposed funding will be enough for FY 15. The line item specifically allows for cuts in benefits if the appropriation is insufficient, putting the entire burden of miscalculation on very poor families. Instead of cutting the funding, the Governor should have proposed capturing the savings from the declining caseload to increase grants, which have lost nearly half their value to inflation since 1988. The low grants make it very difficult for families to remain housed. Indeed, the Governor, in his seven years in office, has never proposed a grant increase. Nor does House 2 use the savings to restore employment services or change outdated rules that make it hard for recipients to develop assets.

- **Clothing allowance amount set at $150 per child.** Current and past years' line items also increased the standard of need in September when the clothing allowance is paid to allow very low income working families to qualify. House 2 says the standard of need "may" be raised in September but would not require it to be raised.

- **The line item does not include language requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** In FY 14, the Legislature required 75 days' advance notice. The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. In FY 10, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families headed by a severely disabled parent would not lose their TAFDC benefits.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $88.9 million,** $4 million less than the FY 14 appropriation. The EAEDC caseload is also going down, but not as dramatically as the TAFDC caseload. An increase in EAEDC benefits is long overdue: grants were last raised in the 1980s. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of any grant increase for some EAEDC recipients. Like the TAFDC line item, House 2's proposed EAEDC line item does not include language requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $235.7 million,** an increase of $1.5 million over the FY 14 appropriation for this account.

- **The Supplemental Nutrition Program (item 4403-2007), which provides a small state food SNAP supplement to thousands of low income working families who receive federal food SNAP benefits, would be funded at $1.2 million,** the same as FY 14.

2. **Other Nutrition Programs (Not Administered by DTA)**

- **The state subsidy for Elder Nutrition Programs (item 9910-1900)** would be nearly level funded at $6.3 million.

- **The state subsidy for the Women, Infant and Children's (WIC) Program (item 4513-1002)** would be funded at $12.5 million, a drop of $115,000 from FY 14 spending.

- **The Massachusetts Emergency Food Program (MEFAP) (item 2511-0105) is level funded at $14 million.** This program, which supplements federal TEFAP funding, is administered by the federal Department of Agriculture Resources (DAR). Maintaining this funding level is a good starting place but still not enough in light of the unrelenting demand for emergency food. It will also be insufficient if Congress passes the pending Farm Bill, which proposes cuts that could harm up to 125,000 residents of the state.

3. **Teen Living Programs (item 4403-2119) would be funded at $9.2 million,** the same as FY 14. The pending welfare bills would increase this funding by a small amount so that teens could access these programs during any stage of pregnancy, instead of having to wait until their last trimester as they do currently.

4. **DTA administration**

- **The DTA worker account (item 4400-1100) would be funded at $63.9 million,** slightly more than FY 14 funding (including a supplemental appropriation) of $62.2 million. Community-based organizations have reported an increase in benefit delays and increased difficulties reaching caseworkers because front line workers' caseloads are too high to serve them. This problem appears to have been exacerbated in December when local office staff was diverted to implement the photo EBT statute earlier than the Legislature required. DTA deactivated the EBT cards of 12,000 eligible households, preventing them from being able to access their benefits on time and resulting in thousands of additional calls and visits to DTA offices.

- **DTA central administration (item 4400-1000) would be increased to $66.1 million,** a small increase over FY 14 funding (including a supplemental appropriation). Some of the increase reflects a proposed consolidation with the account for SNAP processing, 4400-1001, which would be eliminated. DTA has used recent increases to this account to implement photo EBT, to increase use of vendor payments (direct payments to landlords and utilities), to block certain ATMs and vendors from accepting EBT, to monitor requests for EBT replacement cards and impose a replacement fee, and to investigate SNAP trafficking. The Governor proposes to give the Commissioner the authority to transfer funds between the TAFDC, EAEDC and SSI Supplement accounts "for identified deficiencies." This language would not prevent transfers even if they would create deficiencies. **The Governor does not propose any funding for the SNAP (food stamp) processing and outreach line item (4400-1001),** which is funded at $2.9 million for FY 14. House 2 says that the funding has been consolidated with the DTA central administration account. Part of this account pays for a grant to Project Bread and other organizations that do SNAP outreach. These expenditures are matched dollar-for-dollar by the federal government.

- **DTA domestic violence workers (item 4400-1025) would receive a small increase to $9.2 million.**

Child Care

1. **The Governor recognizes child care as a central part of addressing the achievement gap, but House 2 would still leave many children without access.** There are currently 42,000 children on the income eligible waitlist. It is not clear how many additional children would be able to access care under the Governor's proposal.

- **A new line item (3000-4040) would provide $15 million for child care geared to school readiness for infants, toddlers, and pre-school children on the income eligible waitlist.** The $15 million would fund child care for about 1,700 children.

- **Another new line item (3000-5025) would provide $2 million for grants to cities, towns, school districts and educational collaboratives to provide pre-kindergarten education classrooms**.

- **Child care for current and recent recipients of TAFDC (item 3000-4050) would be funded at $136.6 million,** an increase of more than $8 million over the FY 14 appropriation and more than $5 million over FY 14 projected spending. Some of the increase may reflect rate increases for providers rather than increases in numbers of children served. The proposed line item does not include a longstanding provision, omitted by the Governor in past years also, that TAFDC recipients – whose incomes are far below the poverty level – will not be charged fees.

- **Income Eligible Child Care (item 3000-4060) would be funded at $241.9 million, almost $20 million more than projected FY 14 spending.** There are currently 42,000 children on the income eligible waitlist. The $20 million increase may be the funding that House 2 says would be maintained for the 2,400 children removed from the waitlist this year thanks to the FY 14 waitlist remediation account (3000-4070). It is also possible that some of the increase reflects rate increases for providers. In either case, the increase to this account would not further reduce the waitlist.

- **Supportive Child Care (item 3000-3050) for children referred by the Department of Children and Families would be funded at $81.2 million** compared with the FY 14 appropriation of $77 million and projected spending of $78 million.

The Governor does not include current budget language that all children eligible for child care through this account shall receive it, and instead would require EEC and DCF to develop a waitlist. Many families are denied child care despite the current budget language. While we do not endorse taking away the promise of care in the current line item, a waitlist would at least document the unmet need.

- **Head Start (item 3000-5000) would be level-funded at $8.1 million.**

- **Funding to improve the quality of pre-kindergarten programs and expand access (item 3000-5075) would be kept at $7.5 million.**

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

1. **The Governor proposes funding DCF at $819 million, an increase of $35.6 million over FY 14 appropriations.** This increase is greatly needed. In the wake of the disappearance and presumed death of Jeremiah Oliver, a child in DCF's caseload, policy makers will need to consider whether DCF is adequately funded to ensure safety for the children it serves.

   - **Current funding for DCF is $53 million less than it was at the outset of the recession in FY 09**. According to Massachusetts Budget and Policy Center, when adjusted for inflation, **the value of DCF's budget has fallen by almost $136 million in the past five years.** The Governor's proposed increase would not yet restore DCF to the FY 09 budget level.

2. **The Governor would increase the Social Worker account (4800-1100) by $8.4 million to $180.3 million. DCF estimates this would come close to funding 150 additional social workers and supervisors. This increase would more closely align DCF caseloads with national caseload standards promulgated by the Child Welfare League of America and with the most recent contract DCF signed with its union.**

   - The Governor also filed a FY 14 supplemental budget on January 22, 2014 which would increase the current social worker account by $1.1 million.

   - The social worker account is likely to get increased attention this year because policy-makers have pointed out that **overly high caseloads make it too difficult for DCF workers to keep children safe.**

   - **While national standards set caseloads at 12-15 for social workers who oversee DCF involved children, according to a DCF December caseload report, over 277 workers have caseloads over 20.** Caseloads vary considerably among offices.

- Social workers need the time to adequately monitor families, intensively manage those that present risk factors, and make sound decisions about whether a child can remain safely at home or needs to be removed.

3. **The Governor proposes a total of $526.4 million for the department's three services accounts, (items 4800-0038, 4800-0040 and 4800-0041) an increase of $22 million over FY 14.** He also proposes in the Administrative line item (4800-0015) to allow DCF to transfer funds among its three services account and the "lead agency" account (4800-0030).

- **The Family Support and Stabilization account (item 4800-0040) would be level funded at $44.6 million.**

- The DCF services line items are likely to be scrutinized in coming months because a key question raised by the Oliver tragedy is whether DCF adequately funds the services needed to keep children safely with their families. While it is clear that the Oliver children should have been removed, **in the 64% of all DCF cases in which the Department is involved because of neglect and not abuse, many children can remain safely at home with the appropriate services.**

  The Family Stabilization and Support line item (4800-0040) which was added in FY 11, funds services vitally needed to keep children safely in their homes or return them home safely. However, these services receive a disproportionately small share of the DCF services budget, most of which covers the costs of out-of-home placement. **Although 87% of the children under 18 in DCF's caseload need family stabilization and support services to remain safely with, or return safely to, their families, the Governor would allocate less than 9% of DCF's services budget to these services.**

  House 2 would also eliminate the provision in the Family Stabilization and Support account that "no funds shall be used for the compensation of administrative employees and associated administrative costs of the department." The Legislature included this restriction in the FY 14 budget.

  The Governor would fund the account for Services for Children and Families (item 4800-0038) at $265.4 million, an increase of $14.2 million over FY 14.

  The Group Care Account (item 4000-0041) would be funded at $216.4 million, an $8 million increase over the FY 14 appropriation.

4. **DCF's administrative account (item 4800-0015) would be increased by $5.2 million to $74.6 million.** In a FY 14 Supplemental budget filed on January 22, the Governor increases funding in this account by $1.6 million.

- **The Governor's proposal would eliminate a longstanding requirement that DCF ensure its administrative hearing system is timely and fair. It would also eliminate the requirement that DCF report to the Legislature on its enormous**

fair hearing backlog. As of September of 2012, DCF reported its hearing backlog was 1546 cases.

- The FY 14 budget required DCF to provide a detailed report on its hearing backlog by December 31, 2013 and March 31, 2014. To the best of our knowledge, DCF has not yet submitted this report.

- **The Governor would strip current and longstanding reporting requirements 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, support kinship families, maximize federal reimbursements available to support kinship guardianships, and identify where it refers families when DCF denies their voluntary requests for services. The Governor had also proposed to strip these requirements in FY 14, but the Legislature included them.

- **The Governor proposes to level fund the lead agency account (item 4800-0030) at $6 million.** Lead agencies are regional nonprofits that contract for services but do not actually provide services themselves.

5. **Services to victims of domestic violence (item 4800-1400) would essentially be level funded at $23.2 million. This represents a 10% decrease in the value of this line item since FY 09.** This account provides beds for domestic violence shelter, visitation services, and supports to victims of domestic violence, and pays for DCF domestic violence staff. These preventive services are not restricted to DCF involved families, but are available to all individuals who are served by these provider programs. **Currently, the domestic violence shelter system is full and must turn away many domestic violence survivors who then turn to the Emergency Assistance program for shelter for themselves and their children.**

6. **Funding for the Office of the Child Advocate (item 0411-1005), although still very small, would be significantly increased from $304,100 to $500,000.**

   - This is another account that is likely to receive attention as **a number of experts have proposed the Child Advocate have more resources, and perhaps be independent from the Governor's office, so she can most effectively oversee DCF and other child serving agencies.**

7. **The Governor proposes to level fund DCF's Family Resource Centers at $850,000**. These centers connect families to community and state services, educational programs and peer support. They would also provide a mechanism for the juvenile court to refer families to community-based services in order to fulfill the requirements of recent legislation which replaced the former CHINS program with a system of community based services for families in need.

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

1. **The Governor proposes a mid-year restoration of dentures for adults on MassHealth.**

    - MassHealth reduced adult dental services to just preventive and emergency services in FY 11. In FY 13, fillings were restored but only for the two front teeth. In FY 14, the budget authorized a mid-year restoration of fillings for all teeth that MassHealth is planning to implement in March 2014. According to the Governor's summary, his budget includes $33.6 million to annualize the filling restoration and includes funds (a reported $8 million) to restore dentures mid-year in FY 15. However, outside section 23 continues to override a provision for full adult dental restoration that was added to the general laws in 2006; House 2 leaves the scope of adult dental services up to the Administration.

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

    - Under the federal Affordable Care Act (ACA) adults with income up to 133 percent of the poverty level ($1274 per month for a single person in 2013) became eligible for MassHealth on January 1, 2014 with an enhanced federal matching rate. House 2 projects enrollment of 345,000 members under the ACA at an annual cost of $1.7 billion. According to the Governor’s summary, almost 80 percent of the gross cost of the expansion is offset by federal revenue. Most of the 345,000 members projected for FY 15 were eligible for subsidized coverage under the state’s Section 1115 Medicaid demonstration waiver before the ACA expansion took effect, but House 2 projects 58,000 newly eligible for subsidized coverage. A portion of this account would be funded from a new trust fund discussed below.

3. **No General Fund transfer to the Commonwealth Care Trust Fund would be needed for ConnectorCare (item 1595-5819).**

    - The Governor proposes no General Fund transfer to the Commonwealth Care Trust Fund for ConnectorCare or the annual $30 million transfer to the Health Safety Net Fund. The Trust Fund has revenue sources independent of appropriations including the proceeds of the employer assessment that formerly supported the Medical Security Program for unemployment compensation recipients, certain tobacco taxes, and individual mandate penalties. The Trust Fund would pay for ConnectorCare, a program of state subsidies created in 2014 to supplement federal premium tax credits and cost sharing reduction payments in order to make private coverage under the ACA as affordable as Commonwealth Care for individual with income under three times the poverty level and no other source of affordable insurance. House 2 estimates that monthly enrollment in Connector Care in FY 2015 will be 145,000.

4. The Governor proposes no funding for a Basic Health Program in FY 15

- The Basic Health Program was an option under the ACA that would enable the state to use primarily federal funds to come close to replicating the Commonwealth Care program for individuals with income up to twice the poverty level who are not eligible for MassHealth. The Legislature authorized EOHHS and the Connector to implement a Basic Health Plan in earlier legislation but the federal government's delay in issuing regulations prevented the program from being implemented in FY 14. ConnectorCare was the fall back plan for FY 14. The federal government has now issued final program regulations and proposed payment regulations. Section 72 of Chapter 36 of the 2013 Acts requires the Administration to file a report by March 1, 2014 on cost savings from implementing the BHP. With final federal guidance forthcoming, the state should ramp up efforts to take advantage of this option.

5. **House 2 eliminates accounts for programs that ended December 31, 2013 and were replaced by other coverage (4000-0870, 4000-0890, 4000-0895 and 4000-1405).**

- House 2 eliminates funding for the MassHealth Basic, Insurance Partnership, Healthy Start and MassHealth Essential, programs that ended in 2013. The MassHealth expansion line item picks up the costs of coverage for most of the people who would have been eligible for Basic and Essential. Pregnant women formerly eligible for Healthy Start since January 2014 are eligible for MassHealth Standard. Individuals in the Insurance Partnership are eligible for the MassHealth expansion, ConnectorCare or a new program in 2014 called the Small Business Employee Premium Assistance program (item 4000-0885) depending on their income and the costs of coverage offered by their employers.

6. The Governor proposes to continued state-funded coverage for certain elderly and disabled immigrants. (4000-0880)

- Since 2004 MassHealth has provided state-funded MassHealth Essential for elderly and disabled legal immigrants with income under the poverty level who were not eligible for federal Medicaid primarily due to its 5-year waiting period. With the elimination of MassHealth Essential on December 31, 2013, coverage for these immigrants was changed to MassHealth Family Assistance. The line item language authorizing their coverage that had been in the Essential line item is now in the Family Assistance line item in House 2, along with authorization for coverage of a small group of PRUCOL immigrants who are not eligible for coverage under the ACA.

7. The Inspector General would be able to use $5 million from Health Safety Net Trust Fund (section 15)

- The Inspector General is authorized to draw down up to $5 million from the Health Safety Net Trust Fund for hospital fiscal years 2015-2019 to maintain a Health

Safety Net audit unit to audit both HSN and MassHealth. Given that House 2 would appropriate no general fund revenue for the HSN in FY 15 (it is funded by assessments on hospitals and insurers and a transfer from the CCTF as discussed above), and that the Governor's summary suggests that ACA implementation will reduce HSN demand "resulting in only $34 million in uncompensated care", the amount the IG is authorized to withdraw from the HSN fund is extraordinary.

8. **The Governor proposes a new Health Insurance Expenditure Fund to receive enhanced federal matching funds (Section 7)**

- House 2 creates a new fund to receive the enhanced federal matching funds for certain ACA-related Medicaid expenditures. The proceeds of the fund are "to support the financing of health insurance coverage for low-income residents of the commonwealth." With this provision the enhanced federal match generated by MassHealth expenditures will be used for health-related purposes rather than simply go into the general fund. Several bills to set aside enhanced matching funds are pending in the current session, S.B. 554 and H.B. 1023.
- House 2 would appropriate $350 million from this new fund to pay for 100 per cent of the $30.8 million appropriation for the Small Business Employee Premium Assistance program that began in January 2014 (4000-0885) and 18.74 per cent of the $1.7 billion appropriation for the Medicaid ACA Expansion account (4000-0940)

Homeless Services

1. **Emergency Assistance (items 7004-0101 and 7004-0103) for homeless families with children would be funded at $179.64 million, approximately $25 million more than projected FY 14 spending, in recognition of the ongoing crisis of family homelessness.**

- The Emergency Assistance (EA) program provides emergency shelter to certain families who are homeless and whom the Department of Children and Families verifies have no other safe and stable place to stay. In FY 13, the Department of Housing and Community Development (DHCD) implemented restrictions on access so that many families with children must be so desperate that they have slept in a place not meant for human habitation before they are eligible for shelter. House 2 would continue these restrictions, in spite of strong demand by medical providers and others working with homeless families to provide shelter to those "within 24 hours of staying in a place not meant for human habitation" so that children do not have to sleep in cars, emergency rooms, or other inappropriate places before receiving shelter. (House 2 also eliminates language in the RAFT line item that was adopted in FY 14 to keep these children safe. See RAFT discussion in the Housing section).
- We are grateful House 2 recognizes that the emergency shelter safety net will need to be fully funded in FY 15 in order to provide shelter to children who are eligible under the current rules. But, as discussed in the Housing section below, we are concerned that House 2 contains insufficient funding for affordable housing so that families can

avoid homelessness and leave shelter for stable housing.

- **House 2 proposes to eliminate placement of homeless families pending collection of verifications.** For many years, the line item has required DHCD to provide shelter for up to 30 days to homeless families who appear eligible and have nowhere else to go, but need more time to get verifications for a final eligibility determination. The Administration proposed to remove this vital protection for the past several years, but the Legislature has wisely retained it. Elimination of it would leave children experiencing homelessness with no safe place to stay while they parents search for documents.
- **House 2 also 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 emergency shelter for children and their families is not unduly restricted. House 2 also proposes to eliminate quarterly reporting requirements to the Legislature about what is happening to families, including those denied shelter under the Administration's new regulations. These same proposals were made and rejected by the Legislature in last year's budget process.

2. **HomeBASE (item 7004-0108) would be funded at approximately $24.3 million, a reduction of more than $34.6 million, reflecting that almost all families will have reached the end of their 24 months of rental assistance in FY 14.**

- This program was created in FY 12 – at the Administration's urging – and touted as a key to ending family homelessness. As authorized for FY 12, the program primarily provided up to 3 years of Rental Assistance to families otherwise eligible for emergency assistance. In FY 13, again at the Administration's request, the Rental Assistance benefit was reduced for current recipients to 24 months and no more Rental Assistance benefits were issued. New families are eligible only for a maximum of $4,000 of HomeBASE Household Assistance for a full year, even though many 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.
- House 2 would make only families who are eligible for EA shelter eligible for HomeBASE Household Assistance in FY 15, even though some families will be losing their Rental Assistance in late FY 14and need Household Assistance in FY 15 to *avoid* becoming homeless again.
- As with EA, House 2 proposes to eliminate the Administration's obligation to provide the Legislature with 60 days advance notice before new eligibility restrictions or benefits reductions are imposed and its obligation to provide timely reports to the Legislature.

3. **Shelters and services for homeless individuals (item 7004-0102) would be funded at just over $40.75 million,** a $301,000 increase over FY 14 funding. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be funded at $1.4 million,** a $200,000 decrease from

initial FY 14 appropriations**.**

4. **The DHCD homelessness administrative account (item 7004-0100) would be funded at just over $6 million,** an increase of approximately $200,000 as compared to FY 14.

Housing

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides housing authorities with operating funds to maintain the state's public housing units, would **decrease from $64.4 million to $64.3 million.** This is a disappointing decrease in funding for a housing program that offers extremely low-income households permanently affordable housing. As the Governor's Commission for Public Housing and Sustainability and Reform found: *"Especially given historically high rates of family and individual homelessness, preservation of state public housing is compelling and critical."*

   In addition:

   - The FY14 budget required certain reporting requirements for housing authorities receiving operating funding, including reporting: the number of uninhabitable units in need of repair, the number of uninhabitable units that could be restored for less than $10,000, and the number of units that have been uninhabitable for longer than 60 days that do not have a waiver from DHCD. **House 2 does not include these reporting requirements.** Over the past three years, the state will have brought over 600 permanently affordable state public housing apartments back into use. These reporting requirements are critical in evaluating the continued progress of this effort.

   - The FY14 budget instructed DHCD to make every attempt to rehabilitate family public housing requiring $20,000 or less in repairs. **House 2 line item would instruct DHCD to rehabilitate family public housing units requiring only $10,000 or less in repairs**.

   - The FY14 budget required housing authorities to offer first preference for elderly public housing to elders receiving MRVP vouchers. **This language was not included in House 2**.

2. **The Massachusetts Rental Voucher Program (MRVP) (item 7004-9024),** which provides modest long-term rental subsidies to low-income tenants in the private housing market, would be **level-funded at $57.5** million. This is $4.6 million less than the $62.1 million the Governor estimates will be spent on MRVP in FY14 although we are told that there will likely be an additional $11 million carried over from this fiscal year. Because these amounts are insufficient to provide critically-needed additional vouchers for poor households, especially those experiencing or facing homelessness, housing and homelessness advocates had urged the Governor to fund MRVP at $87.5 million and will continue that advocacy in the Legislature.

3. **The Alternative Housing Voucher Program (AHVP) (item 7004-9030)** would be **level funded at $3.45 million**.

- This program is for non-elderly, disabled households and has been traditionally labeled as a "transitional" voucher program. The Governor's proposal for AHVP omits the word "transitional" and instead refers to it as a program of rental assistance for this population.

- The Governor's proposal also omits the requirement in the FY 14 budget for an annual report to the Legislature on AHVP expenditures and adds a provision barring any private right of action to enforce provisions of the item.

4. **The Tenancy Preservation Program (TPP) (item 7004-3045),** a housing court-based homeless prevention program which helps preserve tenancies of persons with disabilities, would be **level funded at $500,000.**

- TPP is a highly successful homelessness prevention program based in Housing Courts across the state. TPP keeps tenants in permanent housing versus a shelter, motel, or the streets. In FY13, TPP directly assisted 552 households. Out of the 383 cases that TPP clinicians closed, homelessness was prevented in 335 cases. The outcome was that in 87% of cases closed, the tenancy was saved and stabilized.

- With a modest increase of $250,000, TPP services, which keep tenants in permanent housing, could be provided to an additional 100 disabled households and could increase consultation services to at least 300 additional disabled households.

5. **The Residential Assistance for Families in Transition (RAFT) program (item 7004-9316),** a homelessness prevention program for families with children or with a disabled family member, **would be funded at $9.5 million, a $500,000 decrease from FY 14.**

- As in FY 14, RAFT would provide up to $4,000 in assistance to two categories of families. Ninety percent of the funds are for families with incomes not greater than 30% of Area Median Income who are homeless and moving into subsidized housing or at risk of homelessness, although DHCD would have discretion to use less of the funds for these families, while the remaining funds are for households with incomes between 30% and 50% of Area Median Income who are homeless and moving into subsidized housing or are at risk of homelessness because of a change in economic circumstances.

- House 2 eliminates language added in FY 14 through which $500,000 of RAFT funds were used to provide temporary accommodations to homeless families not yet eligible for EA shelter but who were within 24 hours of having to stay in an unsafe place. During the first three months of its operation in FY 14, this program protected approximately 400 families with children from having to sleep in places unfit for human habitation. The earmarked funding was exhausted in December 2013.

- House 2 also eliminates RAFT reporting requirements to the Legislature that were included in the FY 14 budget.

6. **DHCD Administrative account (item 7004-0099) is decreased from $6.65 million to $6.47 million.** The Governor's proposal deletes from this item the requirement in the FY 13 and 14 budgets that DHCD promulgate regulations ensuring that those who are in receipt of temporary housing subsidies retain any housing admissions priority for homeless and at-risk households. Although the FY 14 provision required DHCD to issue regulations to enforce this provision by September of 2013, DHCD has refused to issue such regulations.

   - The deletion of this provision could mean that households receiving rent stipends under the HomeBASE Household Assistance program and other time-limited rental assistance programs will wrongly be denied priority for state-assisted housing, thereby increasing the risk that they will become homeless again when their temporary assistance ends – the very result the Legislature was attempting to prevent.

7. **Department of Mental Health Rental Subsidy Program (item 7004-9033),** which provides rental subsidies to eligible clients of the Department of Mental Health, would be **level funded at $4.1 million**.

8. **Housing Services and Counseling (item 7004-3036),** which provides grants to nine regional housing consumer education centers for housing services and counseling would be **level funded at $2.64 million**.

Legal Services

1. **Massachusetts Legal Assistance Corporation (item 0321-1600)**, which supports grants for civil legal aid programs for low-income residents of Massachusetts, the Governor is recommending a much needed increase of $1 million over FY 14 funding, to $14 million, but even that amount is $3 million below MLAC's $17 million request. Additional funding for MLAC is critical to help to meet the increasing statewide demand for civil legal services.

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