MLRI MASSACHUSETTS LAW REFORM INSTITUTE
40 COURT STREET
SUITE 800
BOSTON, MA 02108
617-357-0700 PHONE
617-357-0777 FAX
WWW.MLRI.ORG

The Governor's FY 2022 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

January 28, 2021 [Revised 2/1/21]

Yesterday Governor Baker released his revised budget proposal for fiscal year 2022 (FY 22), which is referred to as House 1. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

Cash Assistance, SNAP, Related Items Administered by DTA and Other Nutrition Items (pages 2-7)

Child Welfare: Department of Children and Families and Related Items (pages 8-12)

Health Issues in MassHealth and ConnectorCare (pages 13-15)

Homeless Services (pages 16-18)

Housing (pages 19-20)

Legal Services (page 21)

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

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget
4403-2000	TAFDC	$240,967,007	$254,588,139
4401-1000	Employment Services	$16,498,554	$14,103,103
4400-1979	Pathways to Self Sufficiency	$1,000,000	$1,000,000
4408-1000	EAEDC	$89,983,226	$83,444,967
4405-2000	State supplement to SSI	$210,393,938	$202,480,784
4403-2007	Supplemental Nutrition Program	$300,000	$300,000
4400-1020	Secure Jobs Connect	$3,000,000	$2,000,000
4403-2008	Transportation Benefits for SNAP Work Program Participants	$500,000	$250,000
4403-2119	Teen Structured Settings	$9,438,466	$9,675,624
4400-1100	Caseworkers Reserve	$80,402,615	$83,205,763
4400-1000	DTA Administration and Operation	$67,775,512	$67,172,971
4400-1025	Domestic Violence	$1,757,895	$1,790,076
4401-1001	Food Stamp Participation Rate Programs	$3,923,548	$3,573,032
4400-1004	Healthy Incentives Program (HIP)	$13,000,000	$5,000,000
2511-0105	Mass Emergency Food Assistance Program (MEFAP)	$30,000,000	$20,000,000

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

- **The Governor proposes to roll back the recent 10% increase in TAFDC, cash assistance benefits for families, item 4403-2000.** The Legislature increased the maximum benefits for TAFDC by 10% effective January 2021, the first increase for TAFDC since 2000. With the increase, the maximum TAFDC grant for a family of three with no countable income is $652 a month, far below the poverty level of $1,830 a month and below the Deep Poverty level – half of the federal poverty level -- of $915 a month. The Governor would cut the maximum benefit to $593 a month. Families cannot meet their basic needs even with the recent increase. The Governor's heartless proposed cut would plunge them even deeper into poverty.

- **The Governor proposes $254.6 million for TAFDC (item 4403-2000) for FY 22.** This is $13.6 million more than the FY 21 budget and $21 million more than the Governor's projected spending for FY 21, even though the Governor proposes to eliminate the recent 10% increase in benefits. Less than a month ago, DTA estimated that the 10% increase would cost $17.7 million in FY 22. The Governor's proposal assumes the caseload will shoot up when pandemic unemployment assistance (PUA) ends and families who are receiving PUA now apply for TAFDC. However, with the pandemic continuing to rage, Congress may extend PUA. Moreover, the Governor is projecting an FY 22 caseload of more than 36,000, much higher than the current caseload of about 27,000, and higher than the caseload has been for the last five years.

- **The Governor would continue the annual TAFDC children's clothing allowance at $350 per year for each child who is eligible for TAFDC in September, item 4403-2000.** The Governor would eliminate the longstanding provision that increased the standard of need in September by $350 per child when the clothing allowance is paid, thereby allowing a small number of very low income working families to qualify. The Legislature has rejected this proposal year after year. Unlike last year, the Governor does not propose to split the annual TAFDC children's clothing allowance into two payments, another proposal rejected by the Legislature.

- **The TAFDC line item (4403-2000) does not include language adopted in FY 20 and included in FY 21 removing the reduction in benefits for families in shelter.** However, DTA has not said that it plans to reinstate that benefit reduction.

- **The line item for TAFDC (4403-2000) does not include language barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase.** The Legislature adopted this language to bar the Administration from counting a parent's SSI benefits against the TAFDC grant, which would have caused many children to lose their TAFDC. Unlike in past years, the Governor does not propose to count parents' SSI benefits.

- **The line item (item 4403-2000) also does not include language requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** In FY 21 the Legislature required 75 days' advance notice. The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. In FY 2010, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families headed by a severely disabled parent would not lose their TAFDC benefits. The line item also does not include the current requirement of 75 days' advance notice before DTA proposes any changes to the disability standard. Unlike in past years, the line item also does not direct DTA to revise the standards. The Governor also eliminates a requirement that DTA tell recipients about their eligibility for child care. The Governor also does not include language inserted by the Legislature for the past four years allowing DTA to make eligibility or benefit changes that lead to an increase in eligibility or benefits.

- **Transitional Support Services specified at $1 million (item 4403-2000).** Currently, these families are eligible for four months of transitional benefits after TAFDC ends, starting at $280 a month and reducing month by month to $70 in the fourth month. The FY 22 budget specifies "no less than $1 million" for these benefits, though the actual cost is about $1.6 million.

- **DTA now pays for recipients' transportation reimbursements out of the TAFDC line item (item 4403-2000).** TAFDC provides $80 a month regardless of actual costs to cover some of the costs of getting to and from work or a DTA-approved education, training, job search or employment support activity and the costs of taking children to and from child care so the parent can participate in the activity. The estimated cost of these payments for FY 22 is $3.2 million.

- **The Employment Services Program (ESP, item 4401-1000) would be cut from $16.5 million to $14.1 million and the Pathways to Self Sufficiency line item (4400-1979) would be level-funded at $1 million.** The Governor projects ESP spending for FY 21 at somewhat more than the FY 21 appropriation so the cut for this chronically underfunded program appears to be particularly unwarranted. If the pandemic is under control in FY 22, we can expect there will be a greater need for employment services. As in past years, the Governor does not propose any earmarks for ESP. Currently, the program funds the Young Parents Program; some education and training for TAFDC parents; the DTA Works Program (paid internships at state agencies); learning disability assessments; and job search services for parents with limited English proficiency. The Governor does not include a current requirement that the Administration report on program outcomes.

- **The Governor also proposes to roll back the 10% in EAEDC, cash assistance benefits for persons with disabilities and elders, item 4408-1000.** The Legislature increased EAEDC benefits by 10% starting in January 2021, the first increase for EAEDC since 1988. A single elder or person with disabilities or elder now qualifies for a maximum benefit of $334 a month. The Governor would cut this woefully inadequate benefit back to the 1988 level of $303 a month.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $83.4million, $6.5 million less than the FY 21 appropriation and $7 million less than the Governor's projected spending for FY 21.** The difference seems largely attributable to the Governor's proposed 10% benefit cut. DTA recently estimated that the 10% grant increase would cost $7.6 million a year. 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 1'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 line item does specify that homeless persons shall receive the same basic grant as recipients who incur shelter costs.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $202.5 million**, about $5.1 million less than the Governor's projected spending for FY 21. The reduction is likely due to anticipated administrative savings rather than a change in the SSI caseload or the cost of the cash supplements that households receive.

- **The Supplemental Nutrition Program (item 4403-2007) would be funded at only $300,000,** as in FY 21. This program provides a small state food SNAP supplement to thousands of low income working families who also receive federal SNAP benefits (formerly called Food Stamps). This amount is not enough to provide a meaningful benefit.

- **Secure Jobs Connect (item 4400-1020)** would be funded at $2 million, a cut of $1 million from the FY 21 appropriation and projected spending. This program provides employment support, job training and job search services for homeless or previously homeless families through community based organizations.

- **Transportation benefits for SNAP Work Program participants (ABAWDs) (item 4403-2008)** would be funded at only $250,000, half of the FY 21 appropriation of $500,000. (In FY 20, this account was funded at $1.5 million). This account provides transportation assistance to SNAP beneficiaries considered to be "Able Bodied Adults without Dependents" (ABAWDs), who are subject to a work requirement and need transportation to participate in a work activity and keep their benefits. ABAWD work requirements have been suspended during the federal pandemic public health emergency declaration but may resume when the emergency ends unless DTA pursues a waiver of the work rules because of high unemployment.

- **Increasing participation in SNAP (item 4400-1001).** The Governor proposes $3.6 million for the "Food Stamps Participation Rate Program" line item, a $300,000 cut from FY 21 funding of $3.9 million. The line item provides funding for Project Bread's Food Source Hotline and other DTA projects to increase access to SNAP benefits. SNAP outreach activities are 50% federally reimbursable.

2. **Teen Living Programs (item 4403-2119) would be funded at $9.7 million,** very slightly more than the FY 21 appropriation.

3. **DTA Administration**

- **The DTA worker account (item 4400-1100) would be funded at $83.2 million, about $2.7 million less than projected spending for FY 21.** The proposed amount is intended to maintain the current workforce, fill open positions, and cover previous wage and benefit increases, but would not allow DTA to hire additional staff. The pandemic has caused the SNAP caseload in Massachusetts to jump an unprecedented 19% between the start of the pandemic and the end of 2020. More than half a million Massachusetts households currently rely on SNAP. Application volume continues to be high. At times during the pandemic, DTA's statewide phone number dropped calls rates have shot up – severely limiting meaningful phone access. For example, last August, September and October, on average, about 1 in 2 calls were automatically disconnected because of high call volumes. DTA has regularly faced processing backlogs and has had to authorize overtime or move staff from other work to handle SNAP cases. During a time when local offices are closed and low-income households can only reach DTA by phone, DTA needs additional funding for case managers to be able to provide prompt service. Additional case managers are also critical to address the “SNAP Gap” (see below).

- **DTA central administration (item 4400-1000) would be funded at $67.2 million, about $3 million less than FY 21 projected spending.** The proposed line item does not include the FY 21 requirement that DTA submit a monthly report on program savings and revenues, caseloads, and collections, though some of this information is now posted by DTA. The line item also does not include current language providing that an application for TAFDC shall also be treated as an application for MassHealth.

- **“SNAP Gap” Common Application with health care.** Before COVID, the Administration calculated that 683,000 MassHealth recipients with income below 150% of the federal poverty level were likely eligible for but not receiving SNAP. The Governor’s budget in January 2020 proposed $1 million for an “Integrated Eligibility and Enrollment program,” which is not specified in this year’s budget proposal. House 1 also drops FY 21 budget language in the MassHealth line item, 4000-0300, that required the Executive Office of Health and Human Services (EOHHS) to allow MassHealth and Medicare Savings Program applicants to file a SNAP application at the same time, using the eligibility information and documents for SNAP. The Administration is starting a pilot to test out options to address the “SNAP Gap” with certain health care enrollment, but has not proposed funding for FY 22 for the IT changes needed to implement a permanent true common application. The Administration does have authority under Chapter 151 of the Acts of 2020, the “IT Bond Bill,” to borrow up to $5 million for IT changes needed to accomplish this goal. Failure to close the SNAP Gap, especially during the food insecurity crisis in the Commonwealth, leaves over $1 billion in federal nutrition benefits on the table.

- **DTA domestic violence workers (item 4400-1025)** would be funded at $1.8 million, slightly more than FY 21, likely reflecting increased wage and benefit costs.

4. Additional Nutrition Items

- **The Healthy Incentives Program (HIP) (item 4400-1004) would be reduced from $13 million to $5 million**, a 60% cut over FY21. The reduced level of $5 million is the amount Governor Baker proposed in his FY 21 budget pre-COVID. The Legislature increased HIP for FY 21 with $3 million in additional state funds and $6.2 million in federal COVID “safety net” funding. HIP, administered by DTA, 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 to access locally grown food and decrease social isolation. The appropriation for HIP is not enough for full year funding.

- **The Massachusetts Emergency Food Program (MEFAP) would be funded at $20 million for FY 22 (item 2511-0105), down from $30 million total funding in**

FY21. MEFAP – administered by the Mass Department of Agriculture (MDAR) and the four Massachusetts food banks – provides food commodities to over 660 local food pantries, schools and community feeding sites for distribution. MEFAP received extra federal COVID "Safety Net" funding in FY 21 because of the pandemic. The US Census PULSE survey for November 2020 showed that Massachusetts experienced the highest increase in food insecurity in the nation since COVID, with food banks and food pantries stretched to the limit. It is way too soon for the Administration to conclude that the emergency food demand will be met with a $20 million appropriation in the upcoming fiscal year, especially as thousands of Massachusetts residents remain in the "SNAP Gap."

Child Welfare:
Department of Children and Families and Related Items

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget
	Department of Children and Families	$1.084b	$1.088b
4800-0015	Clinical Support Services and Operation	$114.6m	$114.1m
4800-0030	Local/Regional Management of Services (Lead Agencies)	$8m	$8m
4800-0038	Services for Children and Families (Family Foster Care)	$307m	$299.6m
4800-0040	Family Support and Stabilization Services	67.1m	67.1m
4800-0041	Congregate Care Services	293.4m	307.8m
4800-0058	Foster Care Recruitment Campaign	$750,000	$750,000
4800-0091	Child Welfare Training Institute	$2.8m	$2.8m
4800-0200	Family Resource Centers	$17.4m	$16m
4800-1100	DCF Social Workers	$265.3m	$264m

1. **In House 2, the Governor proposes funding DCF at $1.088 billion**

    - This is an increase of $3.6 million over the FY 21 allocation

2. **Overall, the Governor proposes to substantially increase funding for congregate care for foster youth, decrease funding for family foster care, and leave funding for services to keep children with their families unchanged at its current inadequately low level.**

    - These funding levels are the opposite of what best child welfare practice would suggest. Under best practice, highest priority is given to provide services to keep children safely at home and out of foster care. If children must be removed, all possible services should be provided to strengthen their families so they can return safely at home. Children who must be removed from their parents should be placed with families, with their own extended family whenever possible, and placed in congregate care settings only when their treatment needs require institutional care.

    - Instead, the Governor now proposes to increase spending on congregate care by $14.3 million to $307.8 million. **This is the largest proposed budget ever for DCF congregate care and the first time in recent history that the proposed budget for congregate care has exceeded the budget for family foster care.** The Governor states that $20 million of the proposed congregate care funding is to support the new congregate care network. It is unclear how many congregate care placements in this new network will meet the new baseline quality standards of the federal Family First Prevention Services Act (*see item 3 below*).

- At the same time, spending on family foster care would be cut by $7.4 million to $299.6 million. The Governor noted this would include rate increases for foster parents. This is a good thing, but also suggests there will be fewer family foster homes.

- Most significantly, **the Governor proposes to spend only 10% of DCF's total services budget, or $67.1 million, on essential services to keep children safely at home and to reunify children in foster care safely with their families.**

- The combined result of these spending recommendations would be to continue the trend the Commonwealth has experienced in recent years. **More and more children, particularly Black and Brown children, will be separated from their parents, too many will be placed in institutional settings where they do not belong, experience sub-standard care, age out of foster care without permanent families, and experience negative lifetime outcomes. All come at tremendous short and long-term financial costs to the Commonwealth. We can do better for our kids.**

3. The Commonwealth will bear more of the financial burden of the Governor's massive proposed expenditures on congregate care for DCF-involved youth than in prior years. This is because during 2022 MA will lose eligibility for federal reimbursements for those congregate care placements that don't meet new federal baseline quality care standards

- As of October 1, 2021, the federal Family First Prevention Services Act will condition the ongoing receipt of federal funding to subsidize the costs of congregate care on meeting new baseline quality standards for congregate care. Rather than try to meet those standards, which are intended to protect children, the Department of Children and Families has opted to continue in many instances to contract with providers who do not meet the new baseline quality standards. **This will render Massachusetts ineligible for federal reimbursement of approximately 24% of the costs of those congregate care placements.**

- The Massachusetts Law Reform Institute calculates, based on the best publicly available data, that as of October 1, 2021 Massachusetts stands to lose up to $86.5 million a year in federal funding, which would increase over time without mitigation, as a result of its decision not to meet the baseline quality standards, for many providers, that the federal Family First Act has established as a condition of ongoing federal congregate care funding. *(Further information and data available upon request).*

4. **Massachusetts could also receive uncapped federal funding for services to keep children safely at home -- thereby improving outcomes for children, and decreasing the costs of foster care -- if the Commonwealth opted to accept newly available federal reimbursements for the costs of prevention services**

- The Federal Family First Prevention Services Act has made federal reimbursements available to states at the rate of 50% of costs for evidence-based services to keep children safely at home and out of foster care. Although DCF desperately needs these services to meet the needs of families in its caseload, we are unaware of steps it has taken to become eligible to draw down these federal funds. Doing so would bring federal funding into Massachusetts that would subsidize the family stabilization and support line item (4800-0040), enable DCF to better meet its mission of keeping kids safe by strengthening their families whenever possible, and reduce foster care costs.

5. **House 2 would cut $1.4 million from Family Resource Centers (item 4800-0200), reducing funding to $16 million.**

- These community-based centers provide one of the few means by which families in crisis can voluntarily receive services to prevent abuse and neglect before it happens. They connect families to voluntary community and state services, educational programs, and peer support. They also provide a mechanism for the Juvenile Court to refer families to community-based services in order to fulfill the requirements of the Children Requiring Assistance ("CRA") law which replaced the former CHINS program with a system of community-based services for families in need. If robustly supported, Family Resource Centers could assist DCF in delivering primary prevention services and reduce the DCF caseload.

6. **The Governor would level fund the Commission on the Status of Grandparents raising grandchildren.**

- This commission could potentially help DCF achieve its goal of increasing kinship foster care placements for children who must be removed from their parents, and kinship guardianships for children who cannot return home to their parents. It could also ensure that DCF provides kinship foster parents the supports they need to best care for the children they have stepped up to care for. DCF's administrative line item (4800-0015) requires that DCF shall "provide services and support to partner with" kinship foster parents "in meeting the child's needs." The Commonwealth has also received a federal grant of $311,424 (4899-0017) to support kinship navigator services which can help locate kinship placements for kids and supports for kin caregivers.

7. **House 2 would cut funding for social worker salaries by $1.3 million to $264 million and increase their training budget by $13,000 to $2,840,000**

- While social workers have generally been less available to families during the COVID-19 pandemic, they have been greatly needed to connect families to desperately needed services, to ensure that children can continue to visit with their parents during the pandemic, in person whenever possible, to ensure that children maintain their progress towards reunification, and to ensure children are safe in their homes, their foster homes, and their congregate care placements.

8. The Governor would slightly decrease funding for DCF's administrative account (item 4800-0015) by $478,000 to $114.1 million.

- As is typically the case, House 2 strips most of the line item language in DCF's administrative account. The legislature restores much of this language.

- House 2 would eliminate a longstanding requirement that DCF ensure its administrative "fair hearing" system is timely and fair, and the requirement that DCF report to the Legislature on its large fair hearing backlog. While DCF has made progress in reducing its fair hearing backlog, it has not yet eliminated it. DCF also has not yet issued the revised fair hearing accountability report the DCF data workgroup, which it co-chairs, agreed upon over a year ago.

- House 2 would also 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 it denies their voluntary requests for services. The DCF data workgroup, co-chaired by DCF and the Child Advocate, has agreed to work on recommending data reporting requirements on these items to the legislature, but to date has not done so.

9. Funding for non-secure placements for juvenile offenders (4800-0151) would be eliminated in House 1

- This reflects fewer referrals of runaway youth to DCF for the non-secure alternative lockup program. Different program models are being considered to serve these youth.

10. Outside section 52 would amend MGL c. 119 to add a new section 25A which would require the department to complete an assessment of safety and risk prior to returning a child home from foster care.

- It is unclear why this practice revision would require legislative action, much less through an outside budget section. With respect to its substance, while it is basic sound child welfare practice to make reunification decisions in light of safety and risk considerations, the question of whether the tool will serve the best interests of children depends on whether it measures the full range of factors affecting the child's well-being and whether it is used to promote safe reunification as well as to prevent unsafe reunification.

11. The domestic violence line item (item 4513-1130), formerly in DCF's budget and now a DPH's account, would be level funded at $50.3 million. This line item was

increased by $12 million in the FY 21 budget.

- Domestic violence services in this line item includes beds for domestic violence shelter, supervised visitation, and services and advocacy for victims of domestic violence. These are preventive services that can help prevent abuse and neglect. The greatly needed FY 21 increase reflects a recognition that domestic violence and sexual assault survivors needed far greater access than they have had to local community-based programs, to a range of specialized and culturally specific services and advocacy including housing advocacy, and to more shelter beds. A lack of shelter beds in the domestic violence shelter system has forced families fleeing domestic violence to seek shelter in the Emergency Assistance shelter system.

12. The Governor would cut Funding for the Bureau of Substance Abuse Services (BSAS) (item 4512-0200) by $26.4 million, reducing this account to $142.8 million

- These cuts are explained as eliminating FY21 one-time costs, decreasing funding to meet projected need. Also, the Governor expects a portion of FY 21 funding to be available to support this program in FY 22. The Governor notes a $ $31.9 million increase over FY 20 throughout his budget in funding to fight opioid misuse.

- BSAS funds treatment for parents with substance use disorders. This can prevent the occurrence or recurrence of child neglect and enable parents to keep children safe at home.

13. The Governor would slightly increase funding for attorneys who represent indigent parents and children in cases in which DCF is seeking to separate children from their parents

- CCPS compensation to private attorneys account (0321-1510) would be increased by $4 million to $165.4 million. This includes funding for attorneys in both child welfare and criminal proceedings.

14. Funding for the Office of the Child Advocate (item 0930-0100), would be slightly increased (by $2,443) to $2.9 million.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget
4000-0500	MassHealth Managed Care	$5,943,277,046	$5,595,703,670
4000-0601	MassHealth Senior Care	$3,894,496,052	$3,672,225,668
4000-0700	MassHealth Fee For Service Payments	$3,372,875,665	$2,918,528,635
4000-0880	MassHealth Family Assistance Plan	$391,145,078	$448,183,863
4000-0940	MassHealth ACA Expansion Populations	$2,915,195,837	$2,970,596,600
4000-0990	Children's Medical Security Program (CMSP)	$15,435,000	$16,206,750
1595-5819	Commonwealth Care Trust Fund	$84,068,536	$94,068,536

1. No cuts to MassHealth eligibility or services

- House 1 recommends $17.569 billion gross, $6.910 billion net funding for MassHealth, a change of -3.4% gross, 7.2% net versus FY21 estimated spending. This recommendation assumed caseload decreases and loss of federal revenue based on abatement of the pandemic and expiration of the declaration of a public health emergency (PHE) at the end of FY 2021. The Governor promises to maintain MassHealth eligibility and benefits at pre-COVID levels, a promise it will be easier to keep with last week's announcement that the PHE is likely to be extended to the end of calendar year 2021.

- On January 22, 2021, the Biden Administration sent a letter to Governors indicating that the PHE will likely be extended until the end of calendar year 2021. This announcement will directly affect both MassHealth enrollment and federal Medicaid revenue available to the state in the first half of FY 22. It provides welcome predictability at a time when state budgets and state residents face many uncertainties related to the pandemic.

- The Family First Coronavirus Response Act (FFCRA) enacted on March 18, 2020 provided an increase of 6.2% in the federal matching rate for states that agreed to maintain continuous coverage for state residents enrolled in Medicaid from March 18, 2020 until the end of the month in which the declaration of the PHE expires. This protects Medicaid beneficiaries from losing coverage during the pandemic due to changes in income or failure to return forms. The enhanced revenue continues until the end of the quarter in which the PHE expires.

- In December 2020 over 1.9 million people were enrolled in MassHealth compared to enrollment of 1.75 million in December 2019. The state expected $880 million in enhanced federal Medicaid revenue in FY 21 based on the FFCRA and the PHE.

- Several of the FY 22 MassHealth accounts in House 1 are lower than the amounts in FY 21 GAA, and some of these differences may be attributable to the assumption that the continuous coverage protections in the FFCRA would no longer be in place to protect MassHealth members from losing coverage. However, other accounts that one would expect to be the most sensitive to the expiration of the PHE, such as the Medicaid expansion account (4000-0940), instead show an increase over FY 21. Most such changes are explained by the Administration as expected changes in projected need. In 4000-0300, House 1 provides for transfer authority among line items, and while the GAA may not include such authority, it is typically added in later supplemental budgets.

2. Governor included full adult dental restoration enacted over his veto in FY 21

- House 1 annualizes funding to restore the full scope of adult dental services in MassHealth. Since significant cuts were made to MassHealth's adult dental services in 2010, advocates have been working to restore the full scope of dental services. The Conference Committee's FY21 budget restored $19 million in the 4000-0700 account, along with a proviso restoring full dental services by requiring MassHealth coverage of root canal treatments and crowns, effective January 1, 2021. The Governor vetoed this funding and proviso, but the legislature overrode his veto; the FY21 GAA included the $19 million in funding in the 4000-0700 account, and the proviso restoring full adult dental benefits. In January, 2021, MassHealth published Transmittal Letter Den-109, notifying providers of the full restoration of adult dental services.

- The $19 million funding for adult dental services in FY21 GAA was for only a 6 month period, as the restoration of full benefits was not effective until January 1, 2021 and the fiscal year ends June 30, 2021. The Governor's executive summary of House 1 for FY22 states that the proposed funding for MassHealth includes "the annualized impact of restoring full dental coverage for adults."

3. Health Connector outreach to the uninsured (Section 65)

- This section authorizes DOR, with a taxpayer's consent, to share information with the Health Connector for the purpose of conducting targeted outreach to uninsured residents who check a box on their tax form indicating they would like to be contacted for help enrolling in affordable coverage.

- Though Massachusetts remains a national leader in health insurance gains, having achieved near universal coverage, thousands of individuals remain persistently uninsured. The Health Connector's analysis of annual tax data shows that nearly three-quarters of the full-year uninsured fall under 400 percent FPL and may be eligible for subsidized health coverage. Over half of the uninsured have income under 150 percent FPL and may be eligible for coverage with no monthly premium. This section would help these individuals obtain affordable coverage.

4. Authorizing MassHealth to negotiate more rebate agreements (Section 42)

- House 1 would allow MassHealth to directly negotiate rebate agreements for drugs not subject to the Medicaid Drug Rebate Program and for certain non-drug products such as durable medical equipment. The administration provides little detail about what it has in mind with this proposal. The administration included this same outside section in its House 1 budgets (both the original budget released in January and the revised budget released in October) for FY21, but it did not make it into the FY21 GAA. This section differs from the provisions in Sections 6 and 46 of Chapter 41 of the Acts of 2019 (the FY20 GAA) which created a process involving the Health Policy Commission to give MassHealth greater leverage to negotiate drug rebates from manufacturers for drugs the Medicaid program is required to offer.

Homeless Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget
7004-0101	Emergency Assistance	$181M	$195.9M
7004-0108	HomeBASE	$27.2M	$26M
7004-0099	DHCD Administration	$8.6M	$7.6M
7004-0100	Operation of Homeless Programs	$6.1M	$6.2M
7004-0102	Homeless Individual Shelters	$56.4M	$53.4M
7004-0104	Home and Healthy for Good Program	$3.9M	$2.9M
7004-9316	Residential Assistance for Families in Transition (RAFT)	$50M*	$18.9M†

* The Governor approved the Legislature's full appropriation of $50 million; combined with $4.7 million from HPSTF, $45 million from the Eviction Diversion Initiative, $18 million from federal coronavirus relief funds, and $15 million carryover from the FY20 supplemental budget, total funding for FY21 is $132.7 million.

† This is the total amount; $16.3 million is from direct appropriations plus $2.6 million from retained revenues.

1. **Emergency Assistance (7004-0101) would be funded at $195.9 million,** an increase over the FY 21 appropriation**.** The Emergency Assistance (EA) program provides emergency shelter to certain families with children who are experiencing homelessness and have no safe place to stay.

    - House 1 retains language intended to protect many families and children from first having to prove they slept in a place not meant for human habitation before they can be eligible for shelter. Advocates continue to push for clarification about how this new language will be implemented so that children must not first sleep in cars, emergency rooms, or other inappropriate places before they can access shelter.
    - House 1 also continues to allow families to maintain eligibility for EA until they exceed 200% of the federal poverty guideline for 90 consecutive days.
    - House 1 proposes to eliminate the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing any new eligibility or benefits restrictions. In previous years this language has been critical to giving the Legislature time to ensure that access to EA for children and families is not unduly restricted.
    - House 1 proposes to eliminate requirements that DHCD report quarterly to the Legislature about what is happening to families, including those denied shelter. These requirements were included in the FY 21 budget, and advocates will work to ensure they continue to be included. It also removes reporting requirements in the FY 21 budget specific to the coronavirus emergency.

- House 1 adds language directing DHCD to attempt to convert scattered site units to congregate units, and to generally reduce the number of scattered site units.

2. **HomeBASE (7004-0108) would be funded at $26 million,** a decrease from the FY 21 appropriation. HomeBASE was created in FY 12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

   - House 1 maintains the maximum assistance level in a 12-month period at $10,000.
   - House 1 proposes to eliminate the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing new eligibility restrictions or benefits reductions.
   - House 1 proposes to eliminate DHCD's obligation to provide timely reports to the Legislature. This language was included in the enacted FY 21 budget and advocates will work to ensure it continues to be included.
   - House 1 would continue to allow DHCD to expend funds on HomeBASE for eligible families in domestic violence and residential treatment programs (4512-0200 and 4513-1130), as originally proposed in an FY 17 pilot program. Only families in these shelters who meet all EA eligibility requirements could receive assistance, and DHCD would develop guidance to clarify how this program will operate.

3. **DHCD Administrative line item (7004-0099) would be funded at approximately $7.6 million,** a decrease from the FY21 appropriation.

   - House 1 would eliminate a requirement that DHCD 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, and advocates will work to ensure this language continues to be included.

   - House 1 proposes to eliminate language requiring DHCD to maintain in-person intake locations in the 10 offices that were open as of January 2020. Advocates will advocate to restore this language and monitor to ensure that offices remain available for in-person access, once offices are able to re-open.

   - House 1 proposes to eliminate language requiring DHCD to ensure that in-person offices be sufficiently staffed, enables DHCD to operate additional offices close to families experiencing homelessness, and requires DHCD to submit a report to the legislature regarding plans for maintaining in-person offices and any changes to intakes, such as increased use of telephonic intakes. Advocates will continue to monitor this issue and restore this language.

4. **DHCD homelessness operations account (7004-0100) would be funded at $6.2 million**, a slight increase over FY 21.

5. **Shelters and services for homeless individuals (7004-0102) would be decreased to $53.4 million**.

6. **Home and Healthy for Good program (7004-0104) would be decreased to just under $3 million**. This program provides housing for chronically homeless individuals.

7. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at $16.3 million,** a decrease from FY 21**.** RAFT is a homelessness prevention program for families with children.

    - In FY 21 funding for RAFT was significantly increased in response to the coronavirus response. The FY21 budget also increased the maximum benefit amount to $10,000 per household over a 12-month period.

    - As in prior years RAFT would provide up to a maximum of $4,000 in assistance, but no family could receive assistance from both HomeBASE and RAFT above the HomeBASE maximum of $10,000.

    - House 1 would eliminate the obligation that DHCD provide quarterly reports to the Legislature, which was included in previous budgets.

    - House 1 includes language providing that risk of eviction or foreclosure may be determined by documentation from the landlord or lenders, and eviction notice would not be required, through the state of emergency.

Housing

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget
7004-9005	Public Housing Operating Subsidies	$80M	$75M
7004-9007	Public Housing Reform	$1M	$1M
7004-9024	Massachusetts Rental Voucher Program	$125,501,294	$122,645,860
7004-9030	Alternative Housing Voucher Program	$10,621,601	$5,621,601 Eliminated FY 21 one-time costs
7004-3045	Tenancy Preservation Program	$1.5M	$1.3M Eliminated FY 21 one-time costs
7004-9033	Rental Subsidy Program for DMH Clients	$10.5M	$10.5M

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides operating funds for state public housing, would be funded under House 1 at **$75 million, $5 million less than the $80 million appropriated in the FY 21 budget**. House 1 also provides, as in the final FY 21 budget, that the Department of Housing and Community Development (DHCD) make efforts to rehabilitate local housing authority family units in need of repairs requiring $10,000 or less. Public Housing is one of the most critical sources of affordable housing for extremely low-income families, seniors, and people with disabilities. There are approximately 45,600 state public housing units (13,450 units for families, 30,250 units for seniors and people with disabilities, and 1,900 for people with special needs). With over 152,000 households on the state's public housing waiting list, every one of these apartments is critical to maintain through operating subsidies. An increase in operating subsidy is needed to preserve public housing and ensure that units do not remain vacant because they are not up to code.

2. **Public Housing Reform (item 7004-9007)** for costs associated with the implementation of the public housing reform law passed in 2014 would be **level funded at $1 million**. Reforms in the 2014 law in need of continued funding include technical assistance training for resident commissioners and tenant organizations. Over the past two years this line item has contributed to funding a Public Housing Training Program successfully launched by the Mel King Institute at the Massachusetts Association of Community Development Corporations. The trainings help residents participate and engage as leaders in their housing authority contributing to the stronger public housing communities.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)**, provides long-term rental subsidies to approximately ten thousand low-income households for use in the private housing market. House 1 funds MRVP at $122,645,860 which is $**2.8 million less than the FY 21 budget. However, the Governor indicates that additional funds from outside the budget will bring the total to $135 million which is the amount urged by advocates.**

    - Advocates will continues to increase the number and the value of the vouchers

- The Governor's budget continues the provision in previous budgets setting the MRVP income limits at 80% of area median ("low-income") and allowing DHCD to target up to 75% of the vouchers to extremely low-income households with incomes of not more than 30% of area median. The Governor's bill keeps the current language requiring each household to pay at least 30%, but not more than 40% of income for rent. However, House 1 allows households, at their option, to pay more than 40% of income for rent provided that amount is not more than 40% of the household's income in the first year of occupancy.

- The Governor's budget again proposes to remove the requirement in the current and previous budgets that DHCD report to the legislature on MRVP utilization including the number and average value of rental vouchers distributed in the Commonwealth. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. The Governor's budget proposes $5,621,601 which is a **$5 million decrease** from the FY 21 budget.

- House 1omits the requirement in the current budget that DHCD must submit an annual report to the Secretary of Administration and Finance and the Legislature on the number of outstanding vouchers and the number of types of units leased..

4. **Tenancy Preservation Program (TPP) (item 7004-3045)**, a homeless prevention program that helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges, **would be funded at $1.3 million, a decrease of $200,000**. TPP keeps tenants in permanent housing versus a shelter, motel, or the streets and is increasingly being used to preserve tenants homes "upstream" before they are faced with an eviction in court.

5. **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 approximately $10.5 million.**

Legal Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Initial Budget
0321-1600	MLAC	$29M	$29M

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 1 is recommending an appropriation of $29.00 million, the same as the FY 21 appropriation. MLAC is seeking a $6 million increase (to $35 million) to help meet the growing statewide demand for civil legal services.

For more information on our House 1 summary, contact Brian Reichart (breichart@mlri.org) who will direct your question to the appropriate advocate.