Senate Ways and Means FY 2024 Budget Proposal:
Preliminary Analysis of Key Issues Affecting Low-Income
Massachusetts Residents

May 12, 2023

On May 9, 2023, the Senate Committee on Ways and Means released its budget proposal for fiscal year 2024 (FY 24), which is referred to as Senate 3. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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

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

- Senate Ways and Means proposes a 10% increase to cash assistance grant levels for TAFDC and EAEDC beginning in April 2024. The Executive Summary accompanying the Senate Ways and Means proposal states that “recent inflationary pressures and the ongoing threat of a recession mean that benefit recipients continue to find themselves in an economically precarious position. This increase signals - regardless of the economic forecast - the Commonwealth will not waver on its commitment to support working families.” This statement is a testament to Senate leaders’ moral commitment to addressing the needs of our lowest income households.
The Senate Ways and Means proposal builds on three historic increases enacted by the Legislature in response to Lift Our Kids Coalition advocacy – a 10% increase effective January 2021, a 9.1% increase effective July 2021, and a 10% increase effective October 2022. The Governor and the House did not include grant increases.

In a remarkable tribute to the work of the Lift Our Kids Coalition and the leadership of Senator DiDomenico, the Senate Ways and Means Executive Summary expressly commits to continuing “the Deep Poverty increases,” endorsing the Coalition’s goal of raising grants at least up to the Deep Poverty level.

Even with the recent increases, grant levels have lost more than 40% of their value since 1988. The maximum TAFDC benefit for a family of three with no income is only $783 a month, well below half the federal poverty level, also known as Deep Poverty. The EAEDC grant for one person is only $401 a month. Currently, Deep Poverty is income below $1,036 a month for a family of three. H.144 (Rep. Decker) and S.75 (Sen. DiDomenico) would increase benefits by 25% until they reach half the federal poverty level with a cost of living increase in subsequent years to keep up with inflation.

- **Senate Ways and Means would increase the annual TAFDC children’s clothing allowance by $50 to $450 per child (item 4403-2000) in September 2023** at a cost of $3.3 million. In the Executive Summary, Senate Ways and Means explains that this increase “recognizes the challenges associated with raising a child in a high-cost state, especially for low-income families.” Senate Ways and Means, like the Governor and House, keeps the longstanding provision that increases the standard of need in September by the amount of the clothing allowance, thereby allowing very low-income working families to qualify. According to DTA, a few hundred families qualify for TAFDC in September because of the increase in the standard of need.

- **Senate Ways and Means proposes $444.7 million for TAFDC (4403-2000).** This is $20.4 million more than the House and the Governor’s proposals to cover the 10% increase beginning April 2024 and the increase in the clothing allowance.

- **The Senate Ways and Means budget does not mention the Governor’s proposal to provide stipends for applicants and recipients who participate in DTA advisory boards.** The Governor described this stipend in a “Budget Brief” filed along with House 1 but did not include line item language. The Acting Commissioner testified in March that the stipends would cost $90,000 in FY 24.

- **The TAFDC line item (4403-2000) includes language removing the reduction in benefits for families in shelter.** This language, adopted several years ago at advocates’ urging, was included in the House budget but omitted from the Governor’s proposal.

- **The line item for TAFDC (4403-2000) includes language barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase.** The Legislature adopted this language at the request of advocates 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. The House included this language, which the Governor omitted.

- The line item (item 4403-2000) also includes language requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility. In previous years when revenues were tight, this language gave the Legislature time to work with the Governor to avoid spending cuts. The line item also includes the current requirement of 75 days’ advance notice before DTA proposes any changes to the disability standard and a requirement that DTA tell recipients about their eligibility for child care. The House included these protections, which were omitted from the Governor’s proposal.

- **Transitional Support Services specified at $1 million (item 4403-2000),** the same as the Governor and House. 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 Senate Ways and Means budget, like the Governor and House, specifies not less than $1 million for these benefits, though the actual cost has been more than double that.

- **No mention of automation of Crib and Layette payments.** The Senate Ways and Means budget, like the House, does not specifically include the Governor’s proposal to automate the infant benefit for TAFDC recipients with an infant under six months of age, but may include the $653,000 that the Administration estimates the change would cost. Under current DTA policy, TAFDC recipients must affirmatively request the $300 infant payment by contacting their DTA caseworker before the baby is 6 months old. Families who are not aware of this benefit or who cannot successfully navigate the process of requesting it are effectively denied the $300 payment. MLRI advocated with DTA to automate the benefit so that all eligible families will receive it. We are pleased that the Administration is proposing to make the change.

- **Senate Ways and Means, like the Governor and House, would increase the Employment Services Program (ESP, item 4401-1000) from $16.9 million to $19.7 million and would level-fund the Pathways to Self Sufficiency line item (4400-1979) at $1 million.** Senate Ways and Means, like the House, includes FY 23 earmarks of $170,000 for learning disability assessments and $200,000 for the DTA Works Program (paid internships at state agencies). Senate Ways and Means earmarks $3 million for the Office of Refugees and Immigrants (ORI), which gets ESP funding to provide employment readiness and job search services for parents with limited English proficiency; this is twice the amount earmarked in the House budget. Other than these earmarks, not specified by the Governor, there is no information on how the funds in the account would be spent and no information on why the increase is needed.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $201.4 million,** about $4.4 million more than the House. The increase is apparently intended to cover the cost of the 10% grant increase for the months of April through June 2024. EAEDC benefit levels are currently only $401 a
month for single person with no income, and $521.70 a month for a couple. We applaud Senate Ways and Means’ provision of a much-needed grant increase for this program that primarily serves very low income older adults and persons with disabilities. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of benefits paid for some EAEDC recipients. Like the TAFDC line item, Senate Ways and Means proposed EAEDC line item includes language, omitted by the Governor, requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. The proposed line item, like the House and the Governor, specifies 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 $202.7 million**, the same as the Governor and $7 million less than the House. The House included $7 million to increase rates for residential care facilities and rest homes, which Senate Ways and Means omitted.

- **The Supplemental Nutrition Program (item 4403-2007) would be funded at $350,000.** This is a small increase over FY23. This program provides a small state food SNAP supplement to thousands of low-income working families who also receive federal SNAP benefits.

- **Secure Jobs Connect (item 4400-1020)** would be funded at $5 million, the same as the Governor’s proposal and slightly less than the House. 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 Path to Work participants (item 4403-2008)** would be level-funded at $500,000, the same as the Governor’s proposal and the House. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a SNAP Employment and Training activity.

- **Increasing participation in SNAP (item 4400-1001).** Senate Ways and Means proposes $4.9 million for this “Food Stamps Participation Rate Programs” line item, the same as the Governor and House. This is $1 million more that the FY 23 appropriation. 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.

- **Senate Ways and Means does not allocate funding for Two Generation Economic Mobility (item 4401-1003).** The Governor and House proposed $3.5 million, consistent with the FY23 appropriation.

2. **Teen Living Programs (item 4403-2119) would be funded at $10.9 million,** the same as the Governor’s and the House proposals. This is a small increase above the
FY23 appropriation.

3. **DTA Administration**

- The DTA worker account (item 4400-1100) would be increased from $91.7 million appropriated for FY 23 to $95.4 million, the same as the Governor’s and the House proposals. The proposed increases appear to reflect increased salary costs rather than an increase in the number of DTA workers. DTA staff workloads are significantly higher than before the pandemic. The SNAP caseload has increased 43% since the pandemic began in March 2020. DTA must timely process nearly twice as many applications each month as it received before the pandemic. One in seven MA residents who receive SNAP are grappling with the loss of federal SNAP Emergency Allotments in March 2023. In addition, the sun-setting of the federal public health emergency in May 2023 ends simplifications to the SNAP program DTA was allowed to implement during the pandemic. Among other things, DTA will face high call volumes, more in-office visits, and a significant increase in interviews and paperwork that must be handled quickly in order to keep eligible households connected to SNAP and ensure households are issued the correct benefit amount. Additional case managers are needed to explain the benefit changes, maintain customer service with the significantly larger caseload, reduce wait times and processing times, and help make sure DTA can respond to climate change crises such as hurricanes or widespread winter storm power outages.

  Additional workers are also necessary to meaningfully address the “SNAP Gap,” which the Administration pegged before COVID at nearly 700,000 individual MassHealth recipients with income below 150% of the federal poverty level and likely eligible for SNAP. In July 2022 an option to apply for SNAP via the MassHealth application was added to the MassHealth Connector via a simplified “checkbox” to share eligibility information with DTA. Since then, nearly 40,000 SNAP applications have been filed through a MassHealth application or renewal. Despite this success, eligible households continue to be denied at high rates for missing the mandatory SNAP application interview, because of insufficient information shared between MassHealth and DTA, or for other reasons tied to difficulty getting help from DTA. Failure to close the SNAP Gap for otherwise eligible MassHealth households leaves nearly $1 billion in annual federal nutrition benefits on the table.

- **DTA central administration (item 4400-1000) would be increased to $79.7 million from $72.5 million appropriated for FY 22.** This is almost the same as the House and $1 million less than the Governor proposed. We believe that the House and Senate Ways and Means proposals cover increased salary costs, but do not provide funds for three special projects proposed by the Administration, including standing up a Summer EBT program and technology to allow EBT card holders to lock and unlock their accounts. Like the House, the Senate Ways and Means proposed line item includes a requirement enacted in prior years but omitted by the Governor, that DTA submit a monthly report on program savings and revenues, caseloads, and collections. The proposed line item also includes current language providing that an application for TAFDC shall also be treated as an application for
MassHealth. This long-standing requirement was included by the House and omitted by the Governor.

- **No funding to implement chip cards to improve EBT security.** SNAP and cash assistance benefits are accessed via Electronic Benefit Transfer (EBT) cards that rely on a magnetic strip, which is much more vulnerable to being accessed by criminals than the chip-enabled cards which are standard in the card industry. Between June 2022 and March 2023, criminals stole almost $3 million of SNAP from almost 7,000 low-income Massachusetts households’ accounts through no fault of the households. Improved technology to protect households in the checkout line is long overdue. House 1’s proposal for the DTA central administration account included funding, omitted by the House and by Senate Ways and Means, for technology that would allow households to lock and unlock their EBT card in between purchases. Acting Commissioner Sheehan testified at a hearing on May 9, 2023 that locking and unlocking technology would cost $310,000 in FY 24 and was not included in either the House or the Senate Ways and Means budget. While this locking feature could benefit some households, it would present challenges for many others, and, unlike chip, it is not a systemic solution to address EBT security risks. The legislature should address this critical issue and ensure funding for chip-enabled EBT cards.

- **No funding for replacement of stolen SNAP.** To make matters worse, unlike other consumers, EBT card-holders do not have a right to replacement under federal consumer laws. Congress enacted legislation in December 2022 providing for partial replacement of benefits to victims whose benefits were stolen on or after October 1, 2022; the Legislature included funding in the FY 23 Supplemental Budget to provide partial reimbursement to households whose benefits were stolen before October 1, 2022, with a possibility of full reimbursement if there are sufficient funds for households who are victimized before June 30, 2023. Like the Governor and the House, Senate Ways and Means does not address the need for full SNAP benefit replacement in FY 24.

- **Summer EBT.** We understand that implementing Summer EBT was one of the three projects House 1 intended to fund through the DTA central line item and which the House and Senate Ways and Means did not fund. Starting in 2024, Summer EBT food benefits will provide about $120 per summer per eligible child. Summer EBT covers children eligible for free and reduced-price meals under the National School Lunch Program (NSLP). In order to connect with families who have not already been deemed eligible for NSLP, Massachusetts needs to stand up a statewide Summer EBT online application and other application access points. Unfortunately, unlike Pandemic EBT (the pre-cursor to Summer EBT), Congress mandated that states support 50% of Summer EBT administrative costs. However, traditionally, the General Appropriations Act has not included a specific appropriation for SNAP administrative costs, so perhaps the Summer EBT costs can be covered “off budget” in the same way as SNAP administrative costs. Summer EBT has the potential to bring over $53 million in federal nutrition dollars to about 450,000 low income children in summer 2024.

- **DTA domestic violence workers (item 4400-1025) would be level-funded at just
under $2 million, the same as the Governor’s and the House proposal.

4. Additional Nutrition Item Administered by DTA

- The Healthy Incentives Program (HIP) (item 4400-1004) is funded at $5 million, coupled with an expected “prior authorization continued” (PAC) or “carry over” of $10 million in unspent HIP from FY23. The $5 million appropriation is the same as the House and the Governor’s House 1 proposal. HIP is a dollar-for-dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/ HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. The proposed $5 million plus the $10 million carryover is not enough for full year funding. HIP demand it expected to grow to $24 million in FY 24 ($9 million more than funds proposed to be available), especially as the state-funded emergency SNAP allotments end in June and 107 new HIP farmers in target communities are expected to come online, greatly increasing equitable access to the program across the Commonwealth.
Child Welfare:
Department of Children and Families and Related Items

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<th>Account</th>
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1. With several important exceptions, the Senate Ways and Means budget generally follows the lead of the Governor and the House in child welfare funding. The Governor in turn carried over the basic funding priorities of the previous administration. Most significantly, SWM, like the Governor and the House final budget, proposes a large (almost 17%) increase to an already enormous level of spending on removing children from their families, coupled with inadequate spending on keeping and returning children safely with their families.

2. SWM allocates slightly over $1.36 billion to DCF, an increase of $170 million over FY 23. Much of this increase consists of a $129.7 million boost in spending on separating children from their parents and placing them in the foster system, bringing total foster care spending to $785.6 million. This would be the largest increase in spending on removing children from their families since at least as far
back as 2009, most likely ever.

- SWM proposed spending on the foster system includes $354.5 million for family foster care (item 4800-0038), $800,000 less than in the final House budget. It also matches the House budget by including $431 million for congregate care (item 4800-0041) for children living in residential foster care facilities.

- The data shows that the Massachusetts foster system creates significant harms for children. According to DCF’s 2022 Annual Report, Black and Latinx children and youth in the Commonwealth are separated from their families at 2.4 times and 2.5 times the rate of their white counterparts. Also, professional consensus in the field is that children should not be placed in congregate care unless their treatment needs require an institutional setting. This is because congregate care is associated with, among other things, higher rates of delinquency and arrests (Ryan et. Al., Juvenile Delinquency in Child Welfare: Investigating Group Home Effects, Children and Youth Services Review, 2008) and worse educational outcomes, (Casey Family Programs, What are the Outcomes for Youth Placed in Congregate Care Settings? 2018). Nonetheless, Massachusetts is tied for the sixth highest rate of reliance on congregate care in the nation. (Child Welfare Outcomes Report, 2019, [most recent national outcomes report available] Figure V-1)

- Part of the increased cost of congregate care results from Massachusetts’ decision to forego federal reimbursements for foster care costs rather than comply with quality of care and appropriateness of placement standards now required under the federal Family First Prevention Services Act of 2018. EOHHS projected that Massachusetts would lose $12.9 million in federal reimbursements in FY 23 as a result of that decision. It is likely that FY 24 lost revenues will be higher.

3. Best practice in the field points to an alternative to runaway foster and congregate care costs, racial disparities, harms to children, and destruction of families. This is investing in families to address the issues that may put children at risk in order to keep them safely within their own families. Only a very small portion of the cases that come to DCF’s attention involve physical and sexual abuse. Most (well upwards of 75% in Massachusetts and nationally) involve neglect allegations which the child welfare system too often conflates with poverty and/or a parent’s disability. These situations can be addressed to some extent by DCF with adequate Family Stabilization and Support services. They can be most effectively addressed with adequate community supports (referred to in public health language as primary prevention) that are made accessible to families at risk of child welfare system involvement. This avoids the harms of system involvement by addressing problems before they become crises resulting in DCF involvement. Paragraphs 6-10 briefly note how several key community-based child welfare investments are addressed in the SWM budget.

4. At the same time that SWM proposes a substantial increase in spending on removing children from their families, it underfunds DCF Family Support and Stabilization services to keep children safely with their parents at only $88.8
million dollars (4800-0040).

- While SWM, the House and the Governor all deserve credit for proposing a larger increase than this small line item has received in the past, the proposed level of funding is still wholly inadequate for the number of children and youth who are supposed to be getting these services. **87% of the children in DCF’s caseload need family support and stabilization services to remain or return safely home with their parents, but SWM allocates only 10% of the Department’s services budget to the services these children need.** The remaining 90% is allocated to the costs of maintaining children apart from their families.

- Inadequate funding for services to keep children safely at home coupled with massive funding to remove them from their families undermines DCF’s ability to achieve its core mission under federal and Massachusetts law which is that children should be placed in foster care only after the Department has provided **all available services** to keep them safely at home. (See, MGL c. 119, §1)

5. Unlike the House or the Governor, **SWM retains two separate racial impact statement requirements from the FY 23 budget for DCF.** In DCF’s administrative account (4800-0015) SWM extends the requirement that DCF report on the racial impact of its use of its controversial risk assessment tool for deciding which families to bring into its caseload and which children can be reunified with their families. Literature and a careful examination of DCF intake risk assessment tool make clear it is highly likely to increase racial disparities in the DCF caseload. **This reporting requirement was triggered in FY 23 when DCF “used and implemented” its intake assessment and reassessment tools, and when it “developed” its reunification tool. However, DCF has not produced the required racial impact statement.** Similarly, in DCF’s foster care account (4800-0038) SWM extends the requirement that DCF report on the racial impact of anticipated “reforms” to ensure foster care and placement stability and positive permanency outcomes. DCF has also produced no impact statements pursuant to this requirement.

Community-based supports that prevent child welfare system involvement

6. Another important difference between SWM and both the Governor’s proposal and the House budget is that **SWM would significantly increase funding for Family Resource Centers (items 4800-0200 and 4000-0051) by $5.5 million for a total of $34.3 million. Thus, the SWM proposal is $9.5 million more than what either the Governor or the House proposed.**

- These community-based centers provide one of the few means by which families in crisis can voluntarily receive services to address risks to children before they trigger child welfare system involvement. This is a cornerstone of public health-informed primary prevention. Family Resource Centers can 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 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.

7. SWM appears to support a promising initiative of the Governor’s: a proposed **$1.5 million investment in supporting youth as they age out of the foster system**. The Governor’s proposed allocation is in the foster care line item (4800-0038). It would fund a **Tangible Housing Supports Unit** to help youth who have left the system without permanent families with such payments as first and last month’s rent and security. Because SWM funds the foster care line item at the same level the Governor proposed, it appears that SWM supports this allocation. According to EOHHS, the allocation in the foster care line item (4800-0038) would be supported by an additional $1 million for Unaccompanied Homeless Youth Services.

8. Another key primary prevention support is domestic violence services. As in the House and Governor’s budgets, the domestic violence line item (item 4513-1136) would be reduced by $4.1 million to $71.2 million.

   - Domestic violence services in this line item are preventive services that can help prevent abuse and neglect. They include beds for domestic violence shelter, supervised visitation, supports to victims of domestic violence, and salaries for DCF domestic violence staff.

9. The line item for the **Bureau of Substance Abuse Services (4512-0200)**, which provides the substance use treatment needed by the large numbers of DCF-involved caregivers and youth with substance use disorders, **would be cut by $5 million to $213.3 million** (which is also $38.4 million less than projected FY 23 spending). This is still **$4.2 million more than the House included and $29 million more than the Governor proposed**.

10. In addition to these community-based primary prevention programs, many other programs, discussed in other sections of this analysis, provide the **concrete supports** that vulnerable families need to provide adequately for their children and avoid unnecessary DCF involvement and family separation.

   - These cannot all be cataloged here, but they include core concrete supports such as TANF and SNAP benefits, adequate housing, health care and benefits, unemployment benefits, and childcare.

**Other items**

11. **SWM funds and addresses other key child welfare items as follows:**

   - SWM matches the House in increasing **funding for social worker salaries** (item 4800-1100) by $8.4 million to $294.6 million. This is still $12.4 million less than the House final budget. It also increases training (item 4800-0091) by $1.6 million to $4.7 million, as the House and Governor did.

   - Funding for **DCF’s administrative account** (item 4800-0015) is increased by $8.5
million to $139.8 million, only slightly less than the Governor and the House.

- SWM level-funds the **lead agency account** (item 4800-0030) at $9.5 million. Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves. After many years of lead agency funding, we are not aware of any reports on the effectiveness of this investment.

12. **Outside Section 33** would create a Children and Family Legal Representation Trust Fund. This would hold funds allocated to the Committee for Public Counsel Services (CPCS), consisting mostly of federal reimbursements for the costs of providing legal representation to children and families, as well as several other sources of revenue. CPCS could then allocate these funds efficiently on a flexible, targeted basis for essential legal representation needs. These needs include providing pre-petition representation to resolve family issues in order to avoid foster care placements and the costs of associated legal proceedings, as well as increasing the availability and maintaining the high quality of legal representation of families and children in court proceedings.

13. **Funding for the Office of the Child Advocate (items 0930-0100 and 0930-0101), would be increased to $8.6 million.**

- The OCA’s budget consists of a main line item (0930-0100), which SWM funds at $4.8 million, and a separate line item for the State Center on Child Well-Being and Trauma (0930-0101), which SWM funds at $3.7 million. The Trauma Center is operated by the UMass Chan Medical School in collaboration with the Office of the Child Advocate. This is an increase of $677,671 for the combined line items funding the OCA. The House final budget allocated $704,000 less and the Governor $545,671 more than SWM for the OCA.

- The previous administration increased the OCA’s budget by over ten times its original size (from $700,000 to $8.3 million). SWM would grow it even somewhat more. It will be important to examine the outcomes for child welfare system-involved children and families that have resulted from these investments.
Criminal Justice Reform

Section 25 requires the Department of Correction and county sheriffs to provide telephone calls to each incarcerated individual, without cost to either the person initiating the call or the person receiving the call. It also restricts prison and jail commissaries from charging more than 3 percent over the purchase cost for commissary items, directs prison and jail officials to maximize commissary savings and requires that commissary items include gender affirming and culturally appropriate items for all communities in custody.
### Health Issues in MassHealth and ConnectorCare

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>FY 23 General Appropriation</th>
<th>FY 24 Governor’s Budget</th>
<th>FY 24 House Budget</th>
<th>FY 24 SWM</th>
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1. **MassHealth Spending Reflects the March 31, 2023 End of the Federal Continuous Coverage Protection and a Significant Decrease in MassHealth Enrollment Expected in FY24.**

   - SWM funds MassHealth at a total of $19.93 billion, $8 billion net of federal matching funds. This is a decrease of $1.8 billion in gross spending compared to estimated gross spending in FY23. The Governor’s and the House’s budget proposals explain that the decrease in MassHealth spending is due to the expected significant decrease in MassHealth enrollment in FY24. SWM’s proposed MassHealth spending reflects the same enrollment estimates.

   - This steep decrease in spending is based on the estimated decrease in MassHealth enrollment from 2.366 million as of February 2023 to 2 million in FY24 due to the expiration of the federal protection from loss of Medicaid coverage that was in place from March 18, 2020, to March 31, 2023. MassHealth now has a one year “unwinding period” from April 1, 2023 to March 31, 2024 to initiate redeterminations for its 2.4 million members. Since the start of the continuous coverage protection, MassHealth enrollment grew from 1.8M members to 2.4M members. Continuous coverage resulted in enrollment growth for two very different reasons: Some people remained enrolled despite increases in income or other changes that made them no longer eligible for MassHealth, but a far larger number
have been protected from losing coverage for administrative reasons. When House 1 was filed MassHealth said that approximately 800,000 members were enrolled in their current coverage due to the federal continuous coverage protection. More recent agency estimates put the number closer to 900,000.

- Eligible people losing Medicaid coverage due to administrative barriers such as long and confusing notices and forms, long call wait times, too few resources in language other than English, failures to accommodate people with disabilities and member with no digital access and no stable housing at which to receive mail has long been a problem in the Medicaid program. Eligible people being disenrolled for such reasons and later succeeding in being reenrolled has a name: “churning.” The measure of success for MassHealth’s Redetermination campaign will be the extent to which it ensures that people who are still eligible for coverage retain it and those now eligible for coverage from the Health Connector are seamlessly enrolled. That will be determined not just by a successful outreach campaign, but on how its staff and systems function when MassHealth members attempt to follow the agency’s advice on what to do to maintain their health coverage.

- Congress and the federal Medicaid agency are keenly aware of the risk of eligible individuals losing coverage and have imposed added requirements for reporting and accountability from state Medicaid agencies and state-based Marketplaces like the Health Connector. States will be required to submit monthly unwinding data through June 30, 2024. Required data will include such measures as the total number of beneficiaries terminated for any reason, the total number terminated for procedural reasons; and for each call center, average wait times and abandonment rates. Measures like these, combined with transparency from the MassHealth agency and the experience of MassHealth beneficiaries, will be needed for vigilant monitoring of how the redetermination process is working. High rates of procedural denials, long call wait times, and beneficiaries unable to navigate the system, will tell us that the system is not working and should be a call to action for the agency to make corrections.

- The commitment of a new Governor and a new Secretary of HHS to get this right could not only reduce loss of coverage for administrative and procedural reasons over the next 11 months, it may also finally move the needle on permanent reforms. That didn’t happen in 2014-15, the last time MassHealth was required to “right size” the MassHealth caseload after the failure of the system built to implement ACA changes in 2013-14. Ideally, the national focus on Medicaid eligibility and enrollment system over the next 11 months will result in changes that make the process less frustrating and bewildering for MassHealth members, providers, plans and the agency itself. It’s time to finally make progress on reducing “churn.”

2. **SWM MassHealth Spending Reflects Funding for Eligibility and Enrollment Improvements and Temporary Elimination of Pharmacy Copays Planned for FY24.**

- As with the House and the Governor’s budgets, the proposed reduction in MassHealth spending in SWM’s budget is not due to any reduction in eligibility or
benefits. On the contrary, SWM includes funding for a number of eligibility expansions planned for FY24. Also, the Governor’s, House’s and SWM’s budget proposals all account for MassHealth’s plan to eliminate the current pharmacy copayment for FY24. MassHealth’s proposed regulation changes, published April 28, 2023, clarify that this pharmacy co-pay elimination is a temporary measure to ensure MassHealth’s compliance with federal requirements related to co-payments during the “unwind” period. These proposed regulation changes went into emergency effect on May 1, 2023 and are proposed to end on March 31, 2024. The proposed regulations also would permanently waive copays for members during their 12 month postpartum period. A hearing on these proposed regulation changes will be held on May 22, 2023 at 2pm, and MassHealth is accepting written comments until 5pm that day.

- MassHealth’s eligibility expansions are well-timed to reduce loss of coverage during the “unwinding” period. Such expansions include 12 months continuous coverage for children and for people reentering the community from incarceration, 24 month continuous coverage for individuals experiencing homelessness, the creation of a CommonHealth retirement benefit for disabled members 65 and over, and, as discussed below, expansion of the Medicare Savings Program. Other expansions are already in place in 2023 including 12 months continuous postpartum coverage and the elimination of the one-time deductible and work requirement for CommonHealth disabled members under 65.

3. **SWM, Like the Governor’s proposal and the House Budget, Eliminates the Asset Test for the Medicare Savings Program (Outside Sections 21 and 22)**

- SWM adopts the Governor’s and the House’s expansion of the Medicare Savings Program (MSP) by eliminating the asset limit that is currently $18,180 for an individual and $27,250 for a couple. This MSP expansion builds on a series of expansions of the MSP program in 2020 and 2023 that raised the upper income limit from 130% FPL to 225% FPL. Unfortunately, the MSP expansions effective January 1, 2023 have not been fully implemented by MassHealth yet, due to “system limitations”. MSP helps low-income older adults and people with disabilities on Medicare by paying their monthly Medicare Part B premium ($165 for most people), and for lower income individuals it also covers other Medicare out-of-pocket costs. Outside sections 21 and 22 propose an elimination of the asset test for MSP. Elimination of the asset test is expected to streamline the application and eligibility process and enable more low income people to qualify for this underused benefit. Outside section 41 proposes offsetting the cost of this MSP expansion by authorizing the transfer of funds from the Prescription Advantage programs and the Health Safety Net Trust Fund to fund the Medicare Savings Program. Implementation of this expansion would be contingent upon receiving federal approval.

4. **SWM Does Not Adopt the House’s Proposal to Expand ConnectorCare Eligibility to 500% FPL**

- In Outside Section 32, the House proposed a 2-year pilot program extending income eligibility for ConnectorCare from 300% of the Federal Poverty Level (FPL) to
500% FPL. SWM did not include this or any similar proposal in its budget. However, with the MassHealth redetermination campaign under way, and over 300,000 members expected to lose coverage as a result, it’s important that systems are in place to enable those losing MassHealth coverage to find other affordable coverage. Expanding ConnectorCare eligibility from 300% to 500% FPL would significantly improve the available affordable coverage options to people no longer eligible for MassHealth. If this proposal is not included in the final FY24 budget, there is also pending legislation that would expand ConnectorCare income eligibility from 300% to 500% FPL for a five year pilot program (H.1186/S.733).

5. Increase in Children’s Medical Security Plan Spending Reflects Increased Need (4000-0990)

- SWM, like the House and the Governor, proposes a significant increase in spending for the Children’s Medical Security Plan, reflecting increased need for the program. The Governor, the House, and SWM all propose an increase of $13 million, a 76% increase over spending in FY23. The Children’s Medical Security Plan provides coverage for children under 19 in families with income over 300% of the Federal Poverty Level or children who are not eligible for MassHealth because of their immigration status.

- SWM’s budget, like the House’s and Governor’s, includes no language overriding the outdated dollar limitations of the Children’s Medical Security Plan, including a $200 a year cap for prescription drugs and a 20 visit maximum on mental health visits. These and other benefit limitations, contained in the statute at GL c. 118E, sec. 10F, prevent many low-income children from accessing the health services that they need to grow and thrive, simply because of their immigration status. Legislation is pending this session to provide more comprehensive coverage for children regardless of immigration status. This legislation, H.1237/S.740, An Act to ensure equitable health coverage for children, would provide comprehensive coverage to over 30,000 children and young adults whose coverage is limited because of their immigration status.

6. SWM Seeks to Preserve the Affordable Care Act’s Preventive Services Provision by Codifying it into State Law (Outside Sections 15, 29-32, and 36)

- In March, 2023, the same Texas judge who struck down the entire Affordable Care Act (a ruling which was later reversed by the Supreme Court), ruled as unconstitutional the Affordable Care Act provision requiring health plans to cover, without cost sharing, certain preventive health screenings and services. (Braidwood v. Becerra) The U.S. Department of Justice has filed a notice of appeal with the 5th U.S. Circuit Court, challenging this ruling, and has moved to stay the ruling while the appeal is pending. In response to the uncertainty around the future of the ACA’s preventive services protections, SWM’s budget proposal includes outside sections 15, 29-32 and 36, codifying the ACA’s preventive services provision. By doing so, Massachusetts would join at least 14 other states, and the District of Columbia, in enshrining the ACA’s preventive services protections into state law.
## Homeless Services

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
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<tr>
<td>7004-0101</td>
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<td>7004-0100</td>
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</table>

* The actual FY23 spending for RAFT is anticipated to exceed $195M.

1. **Emergency Assistance (7004-0101) would be funded at $324.1 million,** matching the Governor’s FY24 H1 budget and a slight decrease from the FY24 House budget. The Emergency Assistance (EA) program provides emergency shelter and services to certain families with children who are experiencing homelessness and have no safe place to stay.

   - SWM replaces references to the “Department of Housing and Community Development” with the successor agency “Executive Office of Housing and Livable Communities”.
   - SWM proposes language to enable contracts with youth-serving organizations for contracted placements.
   - SWM proposes to restore data reporting requirements that were enacted as part of the FY23 budget, but were not included in either the FY24 Governor’s H1 or House budget.
   - SWM retains language added by the legislature 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.

- SWM retains language that allows families to increase incomes up to 200% of the federal poverty levels and remain eligible for shelter; that families will not become ineligible until they have exceeded that limit for 90 consecutive days; and that if they are terminated, they will have a 6-month grace period prior to exiting.

- SWM retains the obligation that the Executive Office provide the Legislature with 90 days’ advance notice before imposing any new eligibility or benefits restrictions. In prior 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.

2. **HomeBASE (7004-0108) would be funded at $39.6 million**, a decrease from the FY24 Governor’s H1 and House budget. HomeBASE was created in FY12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

- SWM replaces references to the “Department of Housing and Community Development” with the successor agency “Executive Office of Housing and Livable Communities”.

- SWM retains the HomeBASE benefit limit of $20,000 in a 24-month period, and proposes that at least $10 million be made available to assist families beyond the $20,000 limit during the 24-month period. Advocates will work to enact the FY24 House budget language that increases the overall benefit amount to $30,000 in a 24-month period, and allows the Executive Office to renew benefits beyond the initial 24-month period.

- SWM retains language clarifying that families will not be terminated for exceeding the income limit during the 24-month period.

3. **Executive Office Administrative line item (7004-0099) would be funded at $11.4 million**, matching the FY24 Governor’s H1 budget.

- SWM replaces references to the “Department of Housing and Community Development” with the successor agency “Executive Office of Housing and Livable Communities”.

- SWM retains a requirement that the Executive Office promulgate and enforce regulations clarifying that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing, which has been included in budgets for the past several years, including the enacted FY23 budget.

- SWM retains language requiring the Executive Office to maintain in-person intake locations in the 10 offices that were open as of January 1, 2023.

- SWM retains language requiring the Executive Office to report to the legislature regarding wait times families are experiencing for direct communication with a staff member.
4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316)** would be funded at $195 million, an increase over the FY24 House budget. RAFT is a homelessness prevention program.

- SWM replaces references to the “Department of Housing and Community Development” with the successor agency “Executive Office of Housing and Livable Communities”.

- SWM proposes to reduce the maximum household benefit from $10,000 to $7,000 over 12 months. This represents an increase over the Governor’s H1 proposal and matches the FY24 House proposal, but is a significant reduction from the FY23 benefit cap. Advocates will continue to push to restore a cap of at least $10,000 per 12 months.

- SWM retains language allowing applicants to confirm certain MassHealth or Department of Transitional Assistance benefits as proof of eligible income. Advocates support broader use of categorical eligibility.

- SWM retains language allowing for at least $3 million for recipients who fall under an expanded definition of “family” including unaccompanied youth, elders, persons with disabilities, and other households. Advocates will push for expanded benefits for all household compositions.

- SWM does not prohibit the requirement of a Notice to Quit for households seeking RAFT assistance, although administration officials have indicated their intent to continue to require a Notice to Quit. This poses a significant barrier for many in need of assistance and increases the risk of eviction, and advocates will continue to push to change this policy.

5. **Homelessness operations account (7004-0100)** would be funded at $12.6 million, an increase over FY23.

6. **Shelters and services for homeless individuals (7004-0102)** would be funded at $110.8 million, a slight increase over FY23.

7. **Home and Healthy for Good program (7004-0104)** would be funded at $4.2 million, a decrease from FY23. This program provides housing for chronically homeless individuals.

8. **Permanent Supportive Housing (7004-0105)** would be funded at $7.6 million, to provide supportive housing for individuals experiencing homelessness.
Housing

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<th>Account</th>
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1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides operating funds for state public housing, was funded by SW&M at **$107 million**, a $15 million increase over the Governor’s budget which level funded this line item and $5 million over the House FY24 budget. SW&M budget does not include language adopted in the final House budget that provides that all housing authorities operating elderly public housing must offer first preference for elderly public housing units that are vacant to persons 60 years of age or older receiving rental assistance from the Massachusetts rental voucher program. SW&M does not include language included in the House budget which provided that housing authorities and nonprofit organizations situated in municipalities that do not comply with the provisions of section 3A of chapter 40A of the General Laws shall continue to qualify for funding from the local capital projects fund. SW&M does not include language required in the House budget to 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 43,000 state public housing units. It is an aging stock. Basic maintenance is not happening and the operating subsidy has been underfunded for decades.
- In 2005, *A Study of the Appropriate Operating Costs for State-Funded Public Housing in Massachusetts* found that annual operating costs should increase to about $115 million. This study is over 20 years old and adjusted for inflation the amount
would be approximately $184 million. There is deep concern that without a substantial increase in basic operating funds, housing authorities will lack the ability to protect and preserve permanently affordable housing for the most vulnerable in our state.

2. **Public Housing Reform (item 7004-9007)** SW&M provided $1.2 million, which was a decrease of $1 million from the $2.2 million provided by the House budget. The line item provides funds to implement chapter 235 of the Acts of 2014 which includes technical assistance training for resident commissioners and tenant organizations. The increase, according to DHCD, relates to funding the implementation of CHAMP (Common Housing Application for Massachusetts Programs), an information technology platform for state-aided public housing.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term tenant-based and project-based rental subsidies to approximately 10,000 low-income households for use in the private housing market.

- Within the next month the new Executive Office of Housing and Livable Communities will begin operation and take over DHCD’s work as noted in the SWM budget which deletes “the department” and substitutes “Executive Office”. We will report on the transition as it moves along, including the selection of the new Secretary of the Executive Office.

- Senate Ways and Means proposes $179.6 million for MRVP but when adding in FY 23’s unspent amounts the total is an estimated $199.5 million - about $7 million more than in the House FY 24 budget. The MRVP budget has increased every year recently thanks to the amazing work of CHAPA and housing advocates around the state.

- MRVP will continue the shift, begun January, 2023, to a “payment standard model” which will be similar to, though not as effective as Section 8 and should give households more choice and flexibility. For details on the payment standard approach see the MRVP Admin Plan at https://www.mass.gov/doc/mrvp-administrative-plan-2017/download (look for the updates).

- The House FY 24 budget set MRVP payment standards between 100% and 110% of HUD area-wide fair market rent (FMR) or higher for reasonable accommodations with no ability to increase payment standards for other purposes as we had urged. SWM gives the Executive Office more options and sets the payment standard at the discretion of the Executive Office at 110% of either the area-wide FMR or Small Area Fair Market Rents (SAFMR) and higher for reasonable accommodations “or as otherwise directed by the Executive Office”. We welcome the inclusion of payment standards based on SAFMR which should help voucher holders to find housing in higher rent zip codes and will urge the Executive Office to use this discretion. We also appreciate allowing the Executive Office to set higher payment standards for other reasons (such as giving voucher holders the ability to lease up where rents are so high that payment standards of 110% of either area-wide or SAFMR are not effective.
4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. SW&M would **increase the funding** from House budget from **$14.1 million to $16.8 million**. Language would provide that monthly rent limits shall be set at the discretion of the executive office at either up to 110% of the current fair market rent or up to 110 percent of the current small area fair market rent, which allows for the setting of voucher amounts at the neighborhood (rather than metro level) and expands the opportunity for low-income families to rent in higher-rent neighborhoods. The House budget did not include language that would allow for use of small area fair market rents.

5. **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 $2 million by SW&M, the same as the House budget**. 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.

6. **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 funded by SW&M at $16.5 million, an increase of $4 million over the House budget of $12.5 million.

7. **Chapter 257 Eviction Protections - Outside Section 35**

   - In an outside section to the budget, Senate Ways and Means included language that would reinstate and make permanent a critical eviction protection commonly referred to as “Chapter 257” protections. These protections would guarantee that tenants facing eviction are granted a case continuance if they have a pending emergency rental assistance application, ensuring that time is provided for tenants and landlords to gain access to critical funding and avoid unnecessary evictions. This was a successful protection during the pandemic, delaying and possibly preventing almost 9,000 evictions and we are excited to see the Senate’s commitment to making this common sense protection permanent.
For the Massachusetts Legal Assistance Corporation (item 0321-1600), which supports grants for civil legal aid programs for low-income residents of Massachusetts, SWM is recommending an appropriation of $49.00 million, an increase of $8 million over the FY 23 appropriation. This appropriation amount, which is the same as both the Governor’s recommendation and the House amount, will help meet the growing statewide demand for civil legal services.
Public Higher Education

Section 8 provides that any student who attended a Massachusetts high school for at least 3 years and graduated or obtained the equivalent degree will be eligible to receive in-state tuition at public institutions of higher education in the Commonwealth regardless of immigration status.

For more information on MLRI’s SWM summary, contact Brian Reichart (breichart@mlri.org) who will direct your question to the appropriate advocate.