

House Ways and Means FY 2025 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

April 11, 2024

On April 11, 2024, the House Committee on Ways and Means released its budget proposal for fiscal year 2025 (FY 25), which is referred to as House 4600. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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Cash Assistance, SNAP and Related Items Administered by DTA

Account	Description	FY 24 Appropriation (* = Net Supps & Cuts)	FY 25 Governor's Budget	FY 25 HWM
4403-2000	TAFDC	\$431,499,004*	\$496,214,609	\$496,214,609
4401-1000	Employment Services	\$19,925,509	\$18,388,929	\$18,388,928
4400-1979	Pathways to Self	\$1,000,000	\$1,000,073	\$1,000,074
4408-1000	EAEDC	\$182,055,295*	\$178,982,092	\$178,982,092
4405-2000	State supplement to	\$202,700,528	\$207,132,056	\$207,132,056
4403-2007	Supp. Nutrition	\$350,000	\$350,000	\$350,000
4400-1020	Secure Jobs Connect	\$5,050,000	\$5,000,000	\$5,000,000
4403-2008	Transportation Benefits for SNAP Path to Work Participants	\$500,000	\$500,000	\$500,000
4403-2119	Teen Structured Settings	\$10,883,264	\$13,846,348	\$13,846,348
4401-1003	Two Generation Economic Mobility	\$3,500,000	\$3,500,000	\$3,500,000
4400-1100	Caseworkers Reserve	\$95,405,257	\$96,440,103	\$96,440,103
4400-1000	DTA Administration and Operation	\$80,071,407	\$104,599,612	\$103,553,615
4400-1025	Domestic Violence Specialists	\$1,989,567	\$2,194,657	\$2,194,657
4400-1001	Food Stamp Participation Rate Programs	\$4,904,705	\$5,019,027	\$5,019,027
4400-1004	Healthy Incentives Program (HIP)	\$5,050,000 ¹	\$25,133,851	\$15,000,000
4400-1031	Replacing Stolen SNAP Benefits	\$1,000,000*	\$0	\$0
4400-1032	State-funded SNAP for legally-present immigrants	\$6,000,000*	\$0	\$0

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

- **House Ways and Means would provide a 10% increase for TAFDC – delayed until April 2025 – and no increase for EAEDC.** The maximum TAFDC benefit

¹ See discussion below in (4) Additional Nutrition Items Administered by DTA, about funding history for HIP.

for a family of three would be stuck at only \$783 a month until next April. The EAEDC grant for one person would stay at only \$401 a month.

- **On January 8, 2024, the Governor eliminated 10% grant increases for TAFDC and EAEDC enacted in the FY 24 budget.** The increases were scheduled to go into effect in April 2024. The FY 24 budget also included a commitment that grants in FY 25 would include the 10% increase. The Governor cut the increases. Neither the Governor nor House Ways and Means has stood by the commitment to maintain the increases in FY 25.

Current grant levels are well below half the federal poverty level, also known as Deep Poverty. Deep Poverty recently increased to \$1,076 a month for a family of three. The Poverty level and Deep Poverty level go up every year to keep pace with inflation. TAFDC and EAEDC grants, on the other hand, do not get regular cost of living increases. TAFDC grants have lost 45% of their value since 1988; EAEDC grants have lost even more. H.144 (Rep. Decker) and S.75 (Sen. DiDomenico) would increase benefits by 25% a year until they reach half the federal poverty level, and then would increase benefit levels more slowly as the poverty level increases. The Committee on Children, Families, and Persons with Disabilities reported the bills favorably in February.

- **House Ways and Means would keep the annual TAFDC clothing allowance (item 4403-2000) at \$450 per child.** The Governor would have cut the clothing allowance to \$400 per child. Like the Governor, House Ways and Means 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.
- **House Ways and Means proposes \$496.2 million for TAFDC (4403-2000), the same as the Governor,** even though House Ways and Means' proposal includes a 10% grant increase next April and \$50 more for the clothing allowance. Perhaps House Ways and Means is projecting a lower caseload average for FY 25 than the Governor.
- **House Ways and Means, like the Governor, does not propose any changes to antiquated TAFDC policies** to streamline administration of TAFDC by removing behavioral and eligibility rules – many with racist origins – that do not serve the Department's goals of assuring that families can meet their basic needs, improving families' quality of life, helping families achieve economic stability, and reducing racial disparities. Examples of such rules are Learnfare (sanctioning children if they are determined to have had too many absences the school does not record as excused); requirements that the parent pursue child support against the noncustodial parent, even when doing so is not in the child's best interest; and terminating children when they reach age 18 if they won't graduate from high school by age 19. Both the Governor and House Ways and Means would continue the denial of cash assistance to pregnant persons in their first two trimesters.

- **The line item (item 4403-2000) also includes language urged by advocates – and omitted by the Governor -- requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. The previous fiscal year, the advance notice provision was critical to giving the Legislature time to persuade the Governor to rescind cuts to TAFDC. The advance notice language was not in the FY 24 Conference Report or final FY 24 budget. Including the advance notice language is especially important when revenues are lower than anticipated because the notice period gives the Legislature a window in which to act to reverse a cut. Unfortunately, this year, the Legislature had enough time to reverse the Governor’s elimination of the cash assistance increases scheduled to go into effect in April 2024, but the Legislature did not choose to act.
- **The line item for TAFDC (4403-2000) also includes language urged by advocates – and omitted by the Governor -- barring DTA from changing the way benefits are calculated unless the change would result in a benefit increase.** The Legislature adopted this language after a previous Administration proposed counting a parent’s SSI benefits against the TAFDC grant, which would have caused many children to lose their TAFDC. House Ways and Means – unlike the Governor – also includes the current requirement of 75 days’ advance notice before DTA proposes any changes to the disability standard and the requirement that DTA tell recipients about their eligibility for child care.
- **The TAFDC line item (4403-2000) includes language adopted several years ago at advocates’ urging removing the reduction in benefits for families in shelter.** The language was included in last year’s budget but omitted by the Governor.
- **Unlike the Governor’s proposal, House Ways and Means does not propose to continue the FY 24 provision of stipends for applicants and recipients who participate in DTA advisory boards.** The stipend is \$400 a year and is not counted as income. Because the cost of the stipends is apparently very low, DTA might continue paying them even if there is no express authorization to do so. We recommend that DTA also provide stipends to former recipients who participate in Advisory Boards, unless they are employed by an agency that pays for their time while they attend meetings.
- **Transitional Support Services are earmarked at just under \$1 million (item 4403-2000),** slightly less than the Governor’s proposed \$1 million. 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 Employment Services Program (ESP, item 4401-1000) would be funded at \$18.4 million (a slight decrease from FY 24) and the Pathways to Self Sufficiency line item (4400-1979) would be level-funded at \$1 million.** These are the same dollar amounts the Governor proposed. Like previous Governor’s budgets, House 1 does not propose any earmarks for ESP. The House Ways and Means budget proposes earmarks funds for the Young Parents Program, some education and training for TAFDC parents, the DTA Works Program (paid internships at state

agencies), learning disability assessments, and ORI job search services. House Ways and Means includes the current requirement – omitted by the Governor – that the Administration report on program outcomes.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at \$179 million**, the same as the Governor. Like the Governor, House Ways and Means does not propose increasing EAEDC benefit levels, currently only \$401 a month for single person with no income, and \$521.70 a month for a couple. 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. House 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. House Ways and Means’ proposed line item also specifies that homeless persons shall receive the same basic grant as recipients who incur shelter costs; the Governor did not include this requirement.
 - **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at \$207.1 million**, the same as the Governor’s budget and about \$5 million more than the FY 24 General Appropriation.
 - **The Supplemental Nutrition Program (item 4403-2007) would be funded at \$350,000**, the same as the Governor’s proposal. 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 amount the Governor proposed. 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 amount the Governor proposed. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a work activity.
 - **Increasing participation in SNAP (item 4400-1001)**. House Ways and Means and the Governor each propose \$5 million for this item, a small increase over the FY 24 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.
2. **State-funded SNAP for legally present immigrants (item 4400-1032)** would receive no funding from either the Governor or House Ways and Means. The FY 23 Supplemental Budget, signed by the Governor on December 4, 2023, provided \$6 million for state-funded SNAP for legally present immigrants with humanitarian statuses who are barred from federal SNAP, including parolees, battered immigrants and immigrants “permanently residing under color of law.” Currently about 4,000 families

use state SNAP to put food on the table. Without additional funding, families will be forced to once again go without, or sacrifice paying for housing to buy food. Some of these immigrants are waiting for work authorization; many others are essential workers in the service, healthcare and construction industries whose wages are too low to meet their families' needs. La Colaborativa in Chelsea and food pantries across the Commonwealth are unable to fulfill the growing demand for food assistance. State SNAP is easily administered by DTA and is an efficient and effective way to reduce hunger in the Commonwealth.

3. **Funding to replace stolen SNAP benefits (item 4400-1031) not included.** Congress enacted partial replacement for benefits stolen by skimming or phishing starting October 1, 2022, capping replacement amounts and ending replacement on September 30, 2024 (the end of federal fiscal year 2024). The Legislature enacted supplemental budgets authorizing funding to fill gaps in federal relief through FY 24. Most recently, the FY23 supplemental budget signed in December 2023 included \$1 million in state funding to address federal limits and ensure all SNAP families are made whole after SNAP is stolen. House 2 does not provide for wrap-around funding for FY 25 (including by carrying over unspent funds from FY24). If the federal gaps are not addressed, some households will not get replacement when their benefits are stolen through no fault of the household.

In addition, the federal government has decided not to allow states to use federal funds to replace stolen Summer EBT benefits (for more on Summer EBT, see below). Families who have their Summer EBT benefits stolen will receive no replacement, unless the Legislature allows DTA to carry over unspent funds from **item 4400-1031** into FY25.

4. **Teen Living Programs (item 4403-2119) would be funded at \$13.8 million,** the same amount the Governor proposed.

5. **DTA Administration**

- **The DTA worker account (item 4400-1100) would be funded at \$96.4 million, \$1 million more than FY 24.** House Ways and Means proposed \$1 million increase, the same amount the Governor proposed, is not enough to address the DTA's staffing shortage.

The number of Massachusetts households on SNAP has increased 47% since the pandemic began in March 2020. Combined with the end to federal COVID workload management flexibilities, this caseload increase has resulted in significant access delays in recent months. Since July 2023, about 1 in 2 calls attempting to reach a DTA worker were automatically disconnected due to high call volume. In February 2024, 60% of these calls were automatically disconnected. And, in the past year more than 25% of all application denials were for missing a required interview with a DTA worker – in large part because it has been so difficult to reach DTA.

Additional workers are necessary to timely process cases, provide meaningful customer service, and address the delays and backlogs that drive high call volume. Additional workers are also necessary to continue to address the “SNAP Gap” of

MassHealth recipients with income below 150% of the federal poverty level who are likely eligible for but not receiving SNAP (in 2020 estimated to be between 600,000 to 700,000 individuals). DTA is currently receiving roughly 8,000 SNAP applications per month from MassHealth applicants thanks to the advocacy of the Common Apps Coalition. Failure to close the SNAP Gap leaves hundreds of millions in federal nutrition benefits on the table. Staffing challenges impair the state's ability to close the gap, meet federal standards, and serve very low-income families quickly.

- **DTA central administration (item 4400-1000) would be funded at \$103.6 million, \$23 million more than FY 24**, and about \$1 million less than the Governor's budget. The substantial increase is needed for DTA to be able to manage the growth in SNAP caseloads and serve eligible families equitably and promptly. Some of the proposed increase over FY 24 may reflect proposed spending on a Mobile EBT pilot and increased spending needed to administer Summer EBT. Some of the increase is likely related to significant IT and systems needed to ensure DTA's programs are accessible to families and operated in accordance with federal law.

Funding needed for chip/tap EBT for SNAP and cash assistance security. We hope that some of the proposed increase is intended to address funding to issue chip/tap EBT cards, which are critical to improving SNAP and cash assistance security. SNAP and cash assistance benefits are accessed via Electronic Benefit Transfer (EBT) cards that rely on a magnetic stripe, which are much more vulnerable to skimming theft than industry standard chip/tap cards. As a result, since 2022 criminals have stolen millions of dollars from low-income MA residents through no fault of the household. Improved technology is long overdue. In summer 2024, California is working towards becoming the first state in the country to begin issuing chip/tap EBT cards— Massachusetts must follow California's lead to protect low-income consumers and tax dollars.

Summer EBT. The Governor's Budget Brief on Food Security stated that House 2 supports the operation of Summer EBT in FY 25. We hope the House Ways and Means proposal is also intended to support the administration of Summer EBT. Summer EBT will provide \$120 per child in federally-funded food benefits (like SNAP – food dollars put on an EBT card). Summer EBT covers children eligible for free and reduced-price meals under the National School Lunch Program (NSLP). Massachusetts was one of 38 states to commit to providing Summer EBT benefits to eligible K-12 children in summer 2024. This year, Summer EBT will bring the Commonwealth approximately \$62 million federal dollars to help an estimated 500,000 children in low-income families buy food. The federal government pays half of Summer EBT administrative costs; states are responsible for the other half. Thus, funding for the operation of Summer EBT is essential.

- **Funding for DTA domestic violence workers (item 4400-1025) would be funded at \$2.2 million**, the same as the Governor's budget.

6. Additional Nutrition Item Administered by DTA

- **The Healthy Incentives Program (HIP) (item 4400-1004) is funded at \$15 million, about \$10 million lower than the Governor’s proposal of \$25.1 million.** HIP is a dollar-for-dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. HIP participation is especially high among low-income older adults, helping them to access locally grown food and decrease social isolation. Immigrant households who rely on state-funded SNAP will lose access to HIP if the Legislature does not continue funding for SNAP for legally present immigrants barred from federal SNAP. Over 100 farmers, CSAs, and farm stands now participate in HIP.

Child Welfare: Department of Children and Families and Related Items

Account	Description	FY 24 General Appropriation	FY 25 Governor's Budget	FY 25 HWM
	Department of Children and Families	\$1,361,379,048	\$1,530,904,262	\$1,529,360,850
4800-0015	Clinical Support Services and Operation	\$140,416,735	\$154,341,248	\$152,797,836
4800-0030	Local/Regional Management of Services (Lead Agencies)	\$9,525,854	\$11,423,980	\$11,423,980
4800-0038	Services for Children and Families (Family Foster Care)	\$355,808,909	\$376,723,635	\$376,723,635
4800-0040	Family Support and Stabilization Services	\$88,757,132	\$139,539,127	\$139,539,127
4800-0041	Congregate Care Services	\$431,019,785	\$495,889,634	\$495,889,634
4800-0058	Foster Adoptive and Guardianship Parents Campaign	\$975,000	\$975,000	\$975,000
4800-0091	Child Welfare Training Institute	\$4,742,908	\$4,920,601	\$4,920,601
4800-0200 and 4000-0051	Family Resource Centers	\$28,307,519	\$27,329,607	\$27,329,607
4800-1100	DCF Social Workers	\$294,567,006	\$311,500,072	\$311,500,072
0930-0100 and 0930-0101	Office of the Child Advocate	\$9,827,671	\$7,342,353	\$7,515,276

1. Like the Governor, HWM funds DCF at slightly over \$1.5 billion, an increase of \$168 million over FY 24. Much of this increase consists of an **almost \$86 million increase in spending on separating children from their parents and placing them in the foster system**, bringing total foster care spending to \$872.6 million. At the same time, both HWM and the Governor provide the **largest ever increase, almost \$51 million, in services to keep and return children safely with their families, for a total of \$139.5 million**. Despite the welcome increase in funding for services to ensure child wellbeing within their families, it is still much too low, particularly in comparison to funding to separate families.
2. **HWM spending on the foster system includes \$376.7 million for family foster care (item 4800-0038) and \$495.9 million for congregate care (item 4800-0041) for children to live in residential foster care facilities.**
3. Massachusetts and national data shows that the Massachusetts foster system harms children.
 - 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. (MA DCF 2022 Annual Data Report.)

- In addition, professional consensus in the field is that children should not be placed in congregate care unless their treatment needs require an institutional setting 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). Despite professional consensus that congregate care be used sparingly, Massachusetts has the 7th highest rate of reliance on congregate care in the nation. (Child Welfare Outcomes Report, 2020, Figure V-1)
 - Massachusetts decided 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. This not only raises the costs of congregate care in the Commonwealth, but reduces accountability for the quality of care in these facilities.
4. Best practice in the field points to an alternative to runaway foster and congregate care budgets, racial disparities, harms to children, and destruction of families. **This alternative is to invest 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 which is often conflated 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 and mostly with adequate community support that can be made accessible to families at risk of child welfare system involvement.** Paragraphs 5-9 briefly note how several key up front preventive investments in families are addressed in the Governor’s budget.
5. **House Ways and Means’ funds Family Support and Stabilization Services (4800-0040) at \$139.6 million, a \$50.8 million increase over the FY 24 allocation and the same amount the Governor proposed.**
- While HWM deserves credit, as does the Governor, for proposing a larger increase to this small line item than it has received in the past, the proposed level of funding is still completely inadequate for the number of children and youth who are supposed to be getting these services. **While 87% of the children in DCF’s caseload need family support and stabilization services to remain or return safely home with their parents, HWM allocates under 14% of the Department’s services budget to the services these children need.** The remaining 86% of the services budget is allocated to the costs of separating children from their families.
 - This 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)

6. HWM reduces funding for Family Resource Centers (items 4800-0200 and 4000-0051) by \$977,912 for a total of \$27.3 million, reducing an important source of community-based support for families that does not require involvement in the child welfare system.

- These community-based centers provide one of the few means by which families in crisis can voluntarily receive services to address risks to children to avoid harm and unnecessary child welfare system involvement. This is a cornerstone of 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 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.

7. Another key primary prevention support is domestic violence services. The domestic violence line item (item 4513-1136) would be increased by \$3.4 million to \$75.6 million.

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

8. 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 \$23.2 million to \$193.5 million.

9. Many programs discussed in other sections of this budget analysis provide the concrete supports that vulnerable families need to adequately support their children and avoid unnecessary DCF involvement and family separation.

- These cannot all be cataloged here, but they include TANF and SNAP benefits, adequate housing, health care and benefits, unemployment benefits, and child care. A large body of research shows that providing concrete support to families promotes child wellbeing and reduces child welfare system involvement. *See, e.g., Chapin Hall, [Child and Family Well-being System: Economic & Concrete Supports as a Core Component](#).*

10. HWM funds other key child welfare items as follows:

- HWM increases **funding for social worker salaries** (item 4800-1100) by \$17

million to \$311.5 million, and increases training (item 4800-0091) by \$177,693 million to \$4.9 million.

- HWM increases funding for **DCF's administrative account** (item 4800-0015) by \$12.4 million to \$152.8 million. It also strips out the legislature's requirement that DCF provide a racial impact statement about its use of its risk assessment tool, despite DCF's failure to comply with that requirement for the past two fiscal years, and despite the strong likelihood that this risk assessment tool has negative racial impacts on DCF-involved families.
- It increases the **lead agency account** (item 4800-0030) by \$1.9 million to \$11.4 million. Lead agencies are regional nonprofits that contract for services but do not directly provide services themselves.

11. Funding for the Office of the Child Advocate (items 0930-0100 and 0930-0101), would be reduced by \$2.3 million to \$7.5 million.

- The OCA's budget consists of a main line item (10930-0100) and a separate line item for the State Center on Child Well-Being and Trauma (0930-0101). The Trauma Center is operated by the UMass Chan Medical School in collaboration with the Office of the Child Advocate.
- The previous administration increased the OCA's budget by over 1,300% (from \$700,000 to \$10 million). This HWM funding level, while reducing that funding, would still maintain funding at an extraordinarily high level. It will be important to examine the outcomes for child welfare system-involved children and families that have resulted from this large investment.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 24 General Appropriation	FY 25 Governor's Budget	FY 25 HWM
4000-0300	EOHHS and Medicaid Administration	\$141,994,304	\$167,914,925	\$160,747,888
4000-0430	MassHealth CommonHealth Plan	\$164,554,085	\$197,558,111	\$197,558,111
4000-0500	MassHealth Managed Care	\$5,831,782,318	\$6,122,042,394	\$6,122,042,394
4000-0601	MassHealth Senior Care	\$4,486,914,509	\$4,580,139,945	\$4,580,139,945
4000-0700	MassHealth Fee For Service Payments	*\$5,423,843,883	\$4,232,605,645	\$4,232,605,644
4000-0880	MassHealth Family Assistance Plan	\$249,457,668	\$371,307,845	\$371,307,845
4000-0940	MassHealth ACA Expansion Populations	\$3,176,913,030	\$2,427,764,172	\$2,427,764,172
4000-0990	Children's Medical Security Program (CMSP)	\$30,017,088	\$35,000,000	\$35,000,000
1595-5819	Commonwealth Care Trust Fund	**\$0	\$35,000,000	\$35,000,000

*The FY24 appropriation for 4000-0700 reflects the GAA of \$3.601B plus \$2.117B added by chapter 77 of the Acts of 2023 less \$294M reduced by 9C cuts.

**The FY24 appropriation for 1595-5819 reflects the GAA of \$50M reduced by a \$50M 9C cut.

1. HWM generally follows the Governor's lead on funding for MassHealth accounts but rejects her plan to cut PCA services

- HWM in its executive summary says it has funded MassHealth at \$20.3 billion to fully support FY 25 caseload estimates. This was roughly the same amount proposed in House 2. HWM also appears to be going along with the Administration's plan to sustain the \$20.3 billion level of funding for MassHealth through increased revenue from an increase in the existing hospital assessment and adjustments to the existing assessment on managed care plans and other surcharge payors, and to hold down costs by enhanced program integrity efforts, and "carefully managing" expenses. However, there was one notable exception where HWM rejected the Governor's planned PCA cuts as discussed further in section 2 below.
- On the matter of MassHealth caseload projections for FY 2025, the volatility of the MassHealth caseload makes projections difficult at the best of times. The HWM

summary states that as MassHealth continues its eligibility redetermination process it “may result in 800,000 MassHealth members becoming unenrolled.” If HWM means net enrollment declines reflected in the FY 2025 caseload, 800,000 would be very different from enrollment data publicly released by the Administration. At the time of House 2, the Administration projected enrollment declines from 300,000 to 400,000 as a result of the resumption of redeterminations on April 1, 2023. MassHealth has published a monthly dashboard tracking the redeterminations of its 2.4 million members since April 1, 2023. The dashboard reports that as of March 4, 2024, there were 353,000 fewer people enrolled in MassHealth than on April 1, 2023. However, this is a measure of net enrollment taking account of MassHealth “departures” for all reasons, not just those related to the redeterminations, as well as new members gaining or regaining coverage. The dashboard also reports that from April 1, 2023 to the end of February 2024, 746,000 people have “departed” coverage and this may be the number referenced by HWM but because it does not take account of enrollment gains, it doesn’t reflect the FY 2025 caseload.

- The volatility of the MassHealth caseload is not just a challenge for budgeting, it reflects a problem known as “churning” which adversely affects MassHealth members and the healthcare system as a whole. It’s a reference to eligible individuals who lose coverage for procedural reasons related to confusing notices, forms and procedures, difficulty getting accurate information in calls to MassHealth, difficulty getting an interpreter over the telephone, burdensome and unnecessary verification requirements, and mail delay among other reasons. Of people who departed coverage, the dashboard reports that only 32% had actually been found by MassHealth to be ineligible. The remainder were terminated for procedural reasons. Some may have not completed the process because they no longer wanted or needed MassHealth coverage, but many were bewildered by the process and inadvertently lost coverage. Disruptions in care like this adversely affect health, lead to medical debt and impose added administrative costs on the agency as well as MassHealth providers and plans.

2. HWM rejects House 2’s cuts to MassHealth’s PCA Program (Line Items 4000-0300, 4000-0500, 4000-0601, and 4000-0700)

- HWM rejects the Governor’s proposed cuts to the Personal Care Attendant (PCA) program contained in House 2. MassHealth’s PCA program is a robust benefit that helps members with permanent or chronic disabilities to live in the community and manage their own care by paying for personal care attendants to help members with their activities of daily living (ADLs) such as bathing, eating, toileting and transfers, and “Instrumental” ADLs such as shopping, housekeeping, laundry, and meal preparation. To qualify people must need help with at least two ADLs.
- House 2 proposed two cuts to the PCA program: (1) imposing an additional eligibility threshold of needing at least 10 hours a week of support with ADLs, and (2) capping the number of hours for meal preparation at 7 hours per week (the current recommendation is 13 hours per week; there is no hard cap). MassHealth projected the new 10-hour threshold would cause around 6,000 members to lose their eligibility for the PCA program, and the two cuts together would result in about

\$114 million in gross savings.

- The disability rights advocates and other stakeholders responded quickly and forcefully against these proposed cuts, rallying at the state house to preserve PCA benefits, and arguing that House 2 proposes balancing the budget on the backs of people with disabilities. Further, advocates argue that the administration overstates the anticipated savings. The effect of these cuts would be to shift some members to entirely state-funded programs that receive no federal match, or to force some members into more restrictive institutional settings that cost far more than PCA services, a loss for both the state and for members with disabilities. In response, HWM rejected the proposed cuts to the PCA program by adding a proviso in line items 4000-0300, 4000-0500, 4000-0601, and 4000-0700 that “the personal care attendant program shall maintain the same eligibility criteria and level of services in fiscal year 2025 as were available in fiscal year 2024.” None of those line items received an increase in funding in HWM.

3. ConnectorCare enrollment to grow in FY2025 (1595-5819)

- In anticipation of continued ConnectorCare enrollment growth in FY 2025, HWM like House 2 adds \$35 million to the Commonwealth Care Trust Fund which supplements federal premium tax credits that together with beneficiary premiums pays for ConnectorCare
- Enrollment in ConnectorCare, Massachusetts’ free or low-cost private insurance plan for people ineligible for Medicaid or other affordable coverage, dropped by over 83,000 between Jan 2020 and Jan 2023. With the resumption of MassHealth redeterminations starting on April 1, 2023, and the expansion of the upper income limit for ConnectorCare in 2024, ConnectorCare enrollment grew by 120,861 to from April 2023 to March 2024. About 46,000 of that growth reflected enrollment in a 2-year pilot to expand the upper income limit for ConnectorCare from 300% to 500% of the federal poverty level starting with enrollment in January 2024.
- About 90,000 people who lost MassHealth during the redeterminations were enrolled in ConnectorCare or other Health Connector coverage. However, 76% of those who lost MassHealth and were eligible for either ConnectorCare or unsubsidized Health Connector coverage did not enroll. So far it does not appear that the uptick in employer coverage made up for the loss of public coverage, but there is a lag time in the available data on employer-sponsored insurance. We should know more in the months ahead about how MassHealth redeterminations affected the state’s overall insurance rate.

4. Funding for MassHealth’s new doula coverage program and the Department of Public Health’s doula certification initiative

- In response to Massachusetts’ growing maternal health crisis and racial disparities in maternal health (see, [MA Dept. of Public Health Report](#)), MassHealth launched its new doula coverage program on [December 8, 2023](#). Doulas are non-medical, trained professionals who provide physical, emotional, and informational support before,

during, and after labor. Studies show that doula care significantly improves maternal and infant health outcomes and reduces racial disparities in maternal health outcomes.

- The administration stated that House 2 included \$1.1 million to fund MassHealth’s doula coverage program in FY25, covering doula services for 1,700 MassHealth members. Notably, this is just 6% of the over 27,000 MassHealth members who gave birth in 2022. This low uptake most likely reflects the significant doula workforce shortage which will need to be addressed before MassHealth can meaningfully offer doula services to all its eligible members. The administration addressed this, in part, by stating that House 2 included \$1 million for DPH to establish the first doula certification program in Massachusetts, including subsidized training and mentorship for new doulas and investment in expanding community-based doula programs. However, House 2 added no language to the relevant DPH line item to ensure the funds were spent as proposed. Likewise, HWM does not include any language ensuring that DPH’s \$1 million will be spent as the administration proposed, nor does HWM specify how much of its MassHealth funding is dedicated to the new doula coverage program.
- Regardless, it’s clear that what’s needed is more targeted investment in doula workforce development, as well as ensuring that the doula community is involved in the planning and development of MassHealth’s doula coverage program. Legislation that would achieve these goals was recently reported favorably out of the Health Care Financing Committee to Senate Ways and Means. This bill, An Act relative to Medicaid coverage for doula services (H.1240/S.782), would (1) create a doula advisory committee to meet regularly with MassHealth about the implementation of its program, (2) create the infrastructure to invest in doula workforce development with a focus on workforce recruitment, retention, training, and diversification, and (3) amend the patient bill of rights to give patients the right to have their doulas present during labor and delivery.

5. The Elimination of Copayments in the Children’s Medical Security Plan (4000-0990 and Section 50)

- HWM adopts House 2’s increase of \$5 million (a 17% increase over FY24 GAA) for the Children’s Medical Security Plan (CMSP). The CMSP provides coverage for children under 19 in families with income over 300% of the Federal Poverty Level and for children who are not eligible for MassHealth because of their immigration status.
- House 2 also included funding to waive copays for CMSP members at an estimated cost of \$600,000. However, while House 2’s summary Outside Section 59 states that it “removes the statutory requirement to charge copays to Children’s Medical Security,” it actually eliminates a prohibition on exempting CMSP members from copayments but leaves the statutory requirement to charge certain copayments intact. HWM Outside Section 50 makes a technical correction to the language in Section 59 in House 2, but does not delete the copayment requirement. The failure to effectively eliminate the statutory requirement for copays appears to be a drafting error, as the

intention to waive copays in CMSP is well documented in House 2.

- In FY24, MassHealth waived copays on a temporary basis for all plans except CMSP until March 31, 2024. On April 1, 2024 MassHealth adopted emergency regulations making this temporary elimination of copays permanent. Once the budget is finalized, we anticipate MassHealth will amend its CMSP regulations at 130 CMR 522.004 to permanently eliminate copays for CMSP as well.
- Like House 2, HWM does not include language overriding the outdated dollar limitations of the program 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.

Homeless Services

Account	Description	FY 24 General Appropriation	FY 25 Governor's Budget	FY 25 HWM
7004-0101	Emergency Assistance	\$325.3M	\$325.3M	\$325.3M
7004-0108	HomeBASE	\$37.1M	\$57.3M	\$57.3M
7004-0099	DHCD Administration	\$11.7M	\$15.5M	\$15.4M
7004-9316	Residential Assistance for Families in Transition (RAFT)	\$190.0M	\$197.4M	\$197.4M
7004-0100	Operation of Homeless Programs	\$12.6M	\$17.7M	\$17.7M
7004-0102	Homeless Individual Shelters	\$110.8M	\$110.8M	\$110.8M
7004-0104	Home and Healthy for Good Program	\$8.9M	\$8.4M	\$8.9M

1. Emergency Assistance (7004-0101) would be funded at \$324.1 million, matching the Governor's H2 proposal. 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.

- HWM proposes to restore reporting requirements about families in the EA system that were removed in H2.
- HWM proposes to reinstate 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.
- HWM proposes to remove language from H2 to study EA providers and establish a rate setting process pursuant to chapter 257 of the acts of 2008.
- HWM, in outside section 91, also proposes making an additional \$175M of transitional escrow reserve funding available for the EA system.
- In October 2023 the Executive Office capped the amount of shelter units at 7500 and established a waiting list and priority system for eligible families, creating limited overflow spaces for some families on the waiting list. A pending supplemental budget would provide additional resources for EA for the remainder of FY24 and possibly for FY25, but also proposes placing time limits and other restrictions on families in EA. Advocates will work to ensure the EA system remains available to all eligible families in need.
- HWM proposes removing language specifically limiting the program to residents of the Commonwealth who are lawfully present in the United States.

2. **HomeBASE (7004-0108) would be funded at \$57.3 million**, matching the Governor’s H2 proposal. HomeBASE was created in FY12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.
 - HWM proposes limiting the time a family receiving HomeBASE may exceed the income limit and still remain eligible for the program to 12 months.
 - HWM proposes removing language specifically limiting the program to residents of the Commonwealth who are lawfully present in the United States.
 - HWM proposes restoring language requiring the Executive Office to provide the Legislature with 90 days’ advance notice before imposing new eligibility restrictions or benefits reductions. Advocates will push for this important language to be included.
 - HWM proposes restoring language requiring the Executive Office to provide timely reports to the Legislature.
 - HWM adds quarterly reporting requirements addressing efforts made to work with the Office of Refugees and Immigrants.

3. **Executive Office Administrative line item (7004-0099) would be funded at \$15.4 million**, a slight decrease from the Governor’s H2 proposal.
 - HWM proposes to restore a requirement that the Executive Office promulgate and enforce regulations clarifying that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing. This language has been included in budgets for the past several years, including the enacted FY24 budget. Advocates will be working to ensure this language continues to be included.
 - HWM proposes reinstating the requirement that the Executive office report to the legislature regarding wait times families are experiencing for direct communication with a staff member, and moves the reporting deadline from March 2025 to September 2024.

4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at \$197.4 million, matching the Governor’s H2 proposal. RAFT is a homelessness prevention program.**
 - HWM proposes language requiring the Executive office to report on reasons for assistance matching the requirements from line item 7004-0101.
 - HWM proposes reinstating language that the Executive Office prioritize communities affected by Covid and geographical equity.

5. **Homelessness operations account (7004-0100) would be funded at \$17.7 million,**

matching the Governor's H2 proposal.

6. **Shelters and services for homeless individuals (7004-0102) would be funded at \$110.8 million**, matching the Governor's H2 proposal.
7. **Home and Healthy for Good program (7004-0104) would be funded at \$8.9 million**, increasing the Governor's H2 proposal and matching the FY24 allocation. This program provides housing for chronically homeless individuals.

Housing

Account	Description	FY 24 General Appropriation	FY 25 Governor's Budget	FY 25 HWM
7004-9005	Public Housing Operating Subsidies	\$107,000,000	\$112,000,000	\$112,000,000
7004-9007	Public Housing Reform	\$1,315,000	\$1,250,000	\$1,250,000
7004-9024	Massachusetts Rental Voucher Program	\$179,597,023	\$219,038,574	\$219,038,574
7004-9030	Alternative Housing Voucher Program	\$16,863,078	\$16,355,696	\$16,355,696
7004-3045	Tenancy Preservation Program	\$2,042,755	\$2,042,755	\$2,042,755
0321-1800	Access to Counsel (new)	-	\$3,500,000	\$2,500,000

1. **Public Housing Operating Subsidies (item 7004-9005)**, which provides operating funds for state public housing, would be funded by HWM at **\$112 million - a \$5 million increase** over the FY 24 budget. This increase starts to make up for decades of underfunding that has resulted in deferred maintenance and a serious decline to an aging public housing stock. The operating fund also includes funding for local tenant organizations at an increased amount of \$25/unit to support meaningful tenant participation.

In addition, the operating subsidy continues to include language that requires the administration to make efforts to rehabilitate local housing authority family units in need of repairs requiring \$10,000 or less. With thousands of public housing units off line, it is critical to fund and increasing funding for HLC to bring vacant units back-online to provide more permanent housing resources for very low-income people on the waiting list (although the costs of bringing a unit on are often more than \$10,000/unit).

2. **Public Housing Reform (item 7004-9007)** would be **decreased from \$1.3 to \$1.2 million**. 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 as well as funding for the CHAMP (Common Housing Application for Massachusetts Programs).
3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long term rental subsidies to approximately 10,000 low-income households for use in the private housing market. HWM would provide **\$219 million** in funding, a **\$40 million increase** from last year's appropriation. Although there are no substantive policy changes this year, advocates continue to push for codification of the MRVP programs to protect against future policy changes being made on an annual basis and to provide stability in the program.
4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. HWM would **provide \$16.3 million** in

funding, a slight **decrease in funding** from the previous year. As of 12/31/23, EOHLIC reported that 742 AHVP vouchers were leased. It is not yet clear how many will be leased by the end of FY24.

5. **Tenancy Preservation Program (TPP) (item 7004-3045) was level funded at \$2 million.** TPP helps preserve tenancies of people with disabilities, age impairments, substance abuse, and other mental health challenges. TPP works with individuals and families who are facing eviction as a result of behaviors related to a disability. Case managers locate services and develop case plans to maintain and keep tenants in permanent housing to prevent them from becoming unhoused.
6. **Access to Counsel (item 0321-1800)** would provide **\$2.5 million** for implementation of a statewide access to counsel pilot program. Funds are to be distributed by the Massachusetts Legal Assistance Corporation to designated non-profit organizations to increase access to legal representation for low-income tenants and low-income owner occupants in evictions proceedings.

This is a critical step in advancing a statewide access to counsel program as proposed in H.4360, reported favorably by the Judiciary Committee to HWM, filed by Representative Rogers and Representative Day, and S.865, currently in the Housing Committee filed by Senator DiDomenico. S.865/H.4360 would establish the framework for a statewide Access to Counsel program to provide full legal representation and to be phased-in by MLAC, with input from an Advisory Committee and designated organizations.

Legal Services

Account	Description	FY 24 General Appropriation	FY 25 Governor's Budget	FY 25 HWM
0321-1600	MLAC	\$49.00 M	\$50.50 M	\$52.50 M

For the **Massachusetts Legal Assistance Corporation (item 0321-1600)**, which supports grants for civil legal aid programs for low-income residents of Massachusetts, HWM is recommending an appropriation of \$52.5 million, an increase of \$3.5 million over the FY 24 appropriation and an increase of \$2.0 million over the Governor's recommendation. MLAC is seeking an appropriation of \$55.00 million in order to help meet the growing statewide demand for civil legal services.

Paid Family and Medical Leave

SECTION 67 of the HWM budget would increase the administrative funds available to the Department of Family and Medical Leave from the existing Paid Family and Medical Leave Trust Fund. The additional funds, which were also included in the Governor's budget recommendation, would enable the Department to pursue programming changes, translation enhancements and other initiatives that would increase access to the benefits available through the Paid Family and Medical Leave program.

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