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Senate Ways and Means FY 2022 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

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Yesterday the Senate Committee on Ways and Means released its budget proposal for fiscal year 2022 (FY 22), which is referred to as Senate 3. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

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

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 House	FY 22 SWM
4403-2000	TAFDC	$240,967,007	$254,588,139	$271,561,880	$275,916,458
4401-1000	Employment Services	$16,498,554	$14,103,103	$15,550,103	$15,550,103
4400-1979	Pathways to Self Sufficiency	$1,000,000	$1,000,000	$1,000,000	$1,000,000
4408-1000	EAEDC	$89,983,226	$83,444,967	$99,499,794	$101,538,779
4405-2000	State supplement to SSI	$210,393,938	$202,480,784	$202,480,784	$202,480,784
4403-2007	Supplemental Nutrition Program	$300,000	$300,000	$300,000	$300,000
4400-1020	Secure Jobs Connect	$3,000,000	$2,000,000	$2,000,000	$2,000,000
4403-2008	Transportation Benefits for SNAP Work Program Participants	$500,000	$250,000	$500,000	$250,000
4403-2119	Teen Structured Settings	$9,438,466	$9,675,624	$9,675,624	$9,675,624
4400-1100	Caseworkers Reserve	$80,402,615	$83,205,763	$83,205,764	$83,205,764
4400-1000	DTA Administration and Operation	$67,775,512	$67,172,971	$67,247,970	$67,172,970
4400-1025	Domestic Violence	$1,757,895	$1,790,076	$1,790,076	$1,790,076
4401-1001	Food Stamp Participation Rate Programs	$3,923,548	$3,573,032	$3,873,031	$3,873,032
4400-1004	Healthy Incentives Program (HIP)	$13,000,000	$5,000,000	$13,000,000	$13,000,000
2511-0105	Mass Emergency Food Assistance Program (MEFAP)	$30,000,000	$20,000,000	$30,000,000	$30,260,000
4401-1003	Economic Mobility Grants	$0	$0	$2,500,000	$0

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

- **Senate Ways and Means proposes a 9.1% increase in maximum TAFDC benefit levels (item 4403-2000).** TAFDC is the program that provides cash assistance and related benefits to families with children. This 9.1% increase would be in addition to the 10% increase the Legislature enacted effective January 2021. The SWM 9.1% proposed increase is the same as the House budget. With this increase, the maximum TAFDC grant for a family of three with no countable income would go from $652 a month to $711 a month, far below the poverty level of $1,830 a month and below the Deep Poverty level – half of the federal poverty level – of $915 a month. Families cannot meet their basic needs with grants below Deep Poverty. Unlike SWM and the House, the Governor would not even keep the increase that went into effect in January and instead proposed to roll back benefits to where they were set more than 20 years ago.

- **Senate Ways and Means proposes $275.9 million for TAFDC (item 4403-2000) for FY 22.** This is $4.3 million more than the House. SWM and the House appear to assume the caseload will shoot up when pandemic unemployment assistance (PUA) ends and families who lose PUA apply for TAFDC. It is reasonable to expect some caseload increase in FY 22, but House and SWM projections appear to assume a caseload for FY 22 that would be higher than the caseload has been for the last five years. Moreover, PUA will continue for at least the first two months of FY 22 and possibly longer, so any caseload increases will not occur until later in the fiscal year. Unless the TAFDC caseload increases dramatically in FY 22, the SWM proposed appropriation would be enough to provide the 20% increase the Lift Our Kids Coalition has been advocating for.

- **Senate Ways and Means, like the House, proposes a 9.1% increase in the maximum EAEDC benefit (item 4408-1000)** over the 10% increase that went into effect in January 2021. EAEDC is cash assistance benefits for persons with disabilities and elders and a few children. The 10% increase in January 2021 was the first increase for EAEDC since 1988. With the proposed 9.1% further increase, a single elder or person with disabilities with no income would be eligible for $364 a month.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $101.5 million, about $2 million more than the House.** It is possible SWM is projecting a somewhat bigger caseload increase than the House. EAEDC benefits paid while a recipient is applying for SSI are reimbursed to the state once SSI is approved, so the state would recover the cost of any grant increase for some EAEDC recipients. SWM, like the House, proposes to include language requiring advance notice to the legislature before the Administration cuts benefits or makes changes in eligibility. The Governor omitted this provision. Both SWM and the House provide that homeless persons shall receive the same basic grant as recipients who incur shelter costs.

- **Outside sections 18 and 19 would eliminate the asset test for EAEDC.** Current DTA regulations deny the meager EAEDC benefit to people in the deepest poverty if they have assets for more than $250 for a single person or $500 for a couple. **Section 32 would eliminate the asset test for TAFDC.** Current law denies TAFDC benefits to otherwise eligible families if their countable assets exceed $5,000. As discussed in the Health Issues section below, the elimination of the EAEDC asset test will help some low-income seniors qualify for MassHealth as well as a small monthly cash assistance grant.

- **Senate Ways and Means would continue the annual TAFDC children's clothing allowance at $350 per year for each child who is eligible for TAFDC in September, item 4403-2000.** SWM, like the House, would also retain the longstanding provision that increases the standard of need in September by $350 per child when the clothing allowance is paid, thereby allowing a small number of very low-income working families to qualify. As in past years, the Governor proposed to eliminate the September increase in the standard of need. The Legislature has rejected the Governor's proposed elimination of this provision year after year.

- **The TAFDC line item (4403-2000), like the House, includes language adopted in FY 20 and included in subsequent years removing the reduction in benefits for families in shelter.** The Governor did not include this language.

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

- **The TAFDC line item (item 4403-2000), like the House, includes language requiring the Governor to give 75 days advance notice to the Legislature before cutting benefits or making changes in eligibility.** The Governor did not include this provision. The advance notice requirement prevented the Governor from eliminating the clothing allowance in September 2010. In FY 2010, the advance notice provision was critical to giving the Legislature time to work with the Governor to come up with a solution so that children in 9,100 families headed by a severely disabled parent would not lose their TAFDC benefits. The SWM line item, like the House, also includes the current requirement of 75 days' advance notice before DTA proposes any changes to the disability standard; includes a requirement that DTA tell recipients about their eligibility for child care; and includes a provision allowing DTA to make eligibility or benefit changes that lead to an increase in eligibility or benefits. The Governor eliminated these provisions, too.

- **TAFDC Transitional Support Services earmarked at not less than $1 million (item 4403-2000).** Currently, these families are eligible for four months of transitional benefits after TAFDC ends, starting at $280 a month and reducing month by month to $70 in the fourth month. The House also earmarked $1 million. The actual cost is about $1.6 million.

- **The TAFDC line item specifies just under $800,000 for recipients' transportation reimbursements,** the same as the House. TAFDC provides $80 a month to cover some of the costs of getting to and from work or a DTA-approved education, training, job search or employment support activity and the costs of taking children to and from child care so the parent can participate in the activity. The estimated cost of these payments for FY 22 is $3.2 million, which will be paid from the line item even though the amount specified is less than that.

- **The Employment Services Program (ESP, item 4401-1000) for TAFDC recipients would be cut from $16.5 million for FY 21 to $15.6 million and the**

Pathways to Self Sufficiency line item (4400-1979) would be level-funded at $1 million. The House provided the same amounts for these two line items. If the pandemic is under control in FY 22, we can expect there will be a greater need for employment services. SWM requires funding at prior levels for the Young Parents Program and education and training for TAFDC parents, plus earmarks for learning disability assessments; the DTA Works Program (paid internships at state agencies); and job search services for parents with limited English proficiency. The House also included these earmarks, which the Governor omitted. SWM, like the House, also includes a current requirement that the Administration report on program outcomes. The Governor did not include this requirement.

- **Senate Ways and Means does not include a new line item (4401-1003) proposed by the House of $2.5 million for competitive grants to provide services to young parents ages 14 to 24 to improve their economic mobility.** The participants would not have to be TAFDC recipients.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $202.5 million**, the same as the House and the Governor. This is about $5.1 million less than the Governor's projected spending for FY 21. Some of the reduction is due to anticipated administrative savings.

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

- **Secure Jobs Connect (item 4400-1020)** would be funded at $4 million, twice the amount proposed by the House and the Governor. The SWM proposal is $1 million more than the FY 21 appropriation. This program provides employment support, job training and job search services for homeless or previously homeless families through community based organizations.

- **Transportation benefits for SNAP Work Program participants (item 4403-2008)** would be cut to $250,000, half the House proposal. (In FY 20, this account was funded at $1.5 million). This account provides transportation assistance to SNAP recipients enrolled in certain education and training programs, including but not limited to "Able Bodied Adults without Dependents" (ABAWDs), who were subject to a work requirement and needed transportation to participate in a work activity and keep their benefits. (ABAWD work requirements have been suspended during the federal pandemic public health emergency declaration, which the federal administration has indicated is likely to last through 2021 and potentially into early 2022.) These resources are especially important in light of DTA's expansion of available programs and the likelihood that in-person training will resume before or during FY 22. However, to date these funds only support enrolled participants; they are not yet available to help potential participants get to an education and training program to enroll.

- **House Ways and Means proposes $3.9 million for programs and projects to increase participation in SNAP (item 4400-1001),** the same as the House. This is nearly level with FY 21 funding. The line item provides $600,000 for Project Bread's Food Source Hotline and other DTA projects to increase access to SNAP benefits. SNAP outreach activities are 50% federally reimbursable.

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

3. **DTA Administration**

- **The DTA worker account (item 4400-1100) would be funded at $83.2 million, the same as House 1.** This is nearly $3 million more than the FY 21 appropriation but less than the Governor was projecting to spend in FY 21. The pandemic has caused the SNAP caseload in Massachusetts to jump to over 550,000 households. This is an unprecedented 26% increase between the start of the pandemic in March 2020 and April 2021. Application volume continues to be higher than pre-pandemic levels. DTA has regularly faced processing backlogs and has had to authorize overtime or move staff from other work to handle SNAP cases. DTA faces the loss of federal SNAP administrative flexibilities at the end of 2021 or early 2022 that have helped significantly with workload management. In order to address the "SNAP gap" and maintain processing and customer service with a significantly increased caseload, DTA needs additional funding for case managers.

- **DTA central administration (item 4400-1000) would be funded at $67.2 million,** slightly less than the House. SWM's proposed line item – like the House budget – includes the FY 21 requirement that DTA submit a monthly report on program savings and revenues, caseloads, and collections. House 1 omitted this requirement, though some of this information is now posted by DTA. The American Rescue Plan allocates nearly$29 million over three years to Massachusetts for additional SNAP administrative funding.[1] MLRI recommends that this funding be used to support the growing SNAP caseload, improve access, and permanently close the "SNAP gap" (see below) by investing in IT and systems improvements as well as necessary case managers and other staff.

- **SWM's MassHealth administration line item 4000-0300) directs the Administration to implement changes to address the SNAP Gap by December 2021.** The SNAP Gap includes an estimated 700,000 MassHealth beneficiaries who are likely eligible for but not receiving SNAP. The SWM budget language retains the FY21 budget language directing the Administration to allow people applying for or renewing MassHealth or the Medicare Savings Program the option to apply for

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[1] USDA Food and Nutrition Service. Disbursement of SNAP State Administrative Expense Funding Provided by American Rescue Plan of 2021. April 29, 2021. https://www.fns.usda.gov/snap/administrative-funding-allocations-american-rescue-plan-act-2021

SNAP at the same time. It also directs the Administration to share relevant MassHealth eligibility information with DTA. Given the nearly 6-month delay in the final FY21 budget, the Administration did not have the time to implement by the July 1, 2021 deadline. Retaining the FY21 budget language keeps the pressure on the Administration to get this done. The line item also requires the Administration to report to the Legislature no later than February 1, 2022 on the costs and opportunities from implementing a common application for the health programs and SNAP for households with income below 200% of the federal poverty level.

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

4. Additional Nutrition Items

- **The Healthy Incentives Program (HIP) (item 4400-1004) would be funded at $13 million for FY 22, the same as the House.** HIP, administered by DTA, is a dollar for dollar match, up to a capped amount, for SNAP recipients who buy fresh fruits and vegetables at EBT/HIP-approved farmers markets, mobile markets, community supported agriculture (CSAs) and farm stands. HIP participation is especially high among low-income older adults, helping them to access locally grown food and decrease social isolation. The appropriation for HIP is not enough for full year funding.

- **The Massachusetts Emergency Food Program (MEFAP) would be funded at $30,260,000 for FY 22 (item 2511-0105), $260,000 more than the House.** Both SWM and the House rejected the Governor's proposed reduction to $20 million. MEFAP – administered by the Mass Department of Agriculture (MDAR) and the four Massachusetts food banks – provides food commodities to over 660 local food pantries, schools and community feeding sites for distribution. MEFAP received extra federal COVID "Safety Net" funding in FY 21 because of the pandemic; the SWM proposal recognizes the importance of continuing this funding as demand remains high for food banks and food pantries.

Child Welfare:
Department of Children and Families and Related Items

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 House	FY 22 SWM
	Department of Children and Families	$1.084b	$1.088b	$1.090b	$1.103b
4800-0015	Clinical Support Services and Operation	$114.6m	$114.1m	$114.7m	$114.6m
4800-0030	Local/Regional Management of Services (Lead Agencies)	$8m	$8m	$6m	$9m
4800-0038	Services for Children and Families (Family Foster Care)	$307m	$299.6m	$299.6m	$299.6m
4800-0040	Family Support and Stabilization Services	$67.1m	$67.1m	$70.1m	$70.1m
4800-0041	Congregate Care Services	$293.4m	$307.8m	$307.8m	$307.8m
4800-0058	Foster Care Recruitment Campaign	$750,000	$750,000	$750,000	$750,000
4800-0091	Child Welfare Training Institute	$2.8m	$2.8m	$2.8m	$2.8m
4800-0200	Family Resource Centers	$17.4m	$16m	$16m	$23m
4800-1100	DCF Social Workers	$265.3m	$264m	$265.3	$265.3m
0930-0100	Office of the Child Advocate	$2.9m	$2.9m	$2.9m	$3.9m

1. **The Department of Children and Families would be funded at $1.103 billion.**

   - This is an increase of $18.9 million over the FY 21 allocation to an agency that is still unable to explain the egregious mishandling by upper-level area office management of the Almond case involving two children in its custody that resulted in the tragic death of one of them.

   - **An unstated amount, which appears to be approximately $1 million in item 4800-0038, is allocated to support unspecified "reforms at the department to improve foster care and placement stability and to ensure positive permanency outcomes for children."** In making this general allocation without specifying how it must be spent, Senate Ways and Means signals its faith, despite the evidence, that DCF will spend these allocations in ways that effectively target the pervasive systemic problems demonstrated by the David Almond tragedy and in numerous other reports and audits.

- An additional amount of not less than $500,000 in DCF's administrative account (item 4800-0015) is allocated to improve the department's "quality assurance infrastructure and the data available for trend analysis and policy making" which the SWM Chair describes in his message as a recommendation of the Office of the Child Advocate in its review of the Almond tragedy.

- **Although the legislature held hearings last week to explore DCF's and other agencies' failures that led to the tragic death of David Almond, it has not yet considered public testimony, including that of directly impacted persons, or announced its own conclusions that might explain these funding allocations.**

- **Moreover, data from the most reliable national sources makes clear that the reforms needed at Massachusetts Department of Children and Families go far beyond those revealed in the Almond case.** For example, according to the federal Department of Health and Human Services, Massachusetts has the second highest rate in the nation of placement instability for children in foster care, meaning that children already traumatized by the circumstances that required their removal from their parents are then forced to cycle through foster care placements which negatively affects their educational progress, neurological development, and ability to attach to caretakers. According to the Annie E. Casey Foundation, MA has the eight highest rate in the nation of reliance on Congregate Care, a placement option that should be reserved only for those children whose treatment needs require an institutional setting, and Massachusetts has the third highest rate in the nation of youth leaving foster care with no permanent family, an outcome with lifetime negative consequences for former foster youth. Moreover, DCF's own statistics show that DCF is affected by unacceptable levels of racial disproportionality for Black and Latinx children at every stage of the DCF process. The SWM budget does not appear to have funded reforms aimed at addressing these egregious problems for DCF involved children and families.

2. **In addition to unspecified funding for DCF, SWM would also fund changes at the Office of the Child Advocate and the Children's Advocacy Centers that have not yet been made public, have not resulted from public Committee hearings, and have not received public input including that of directly impacted persons.**

   - **Funding for the Office of the Child Advocate (item 0930-0100), would be increased by $1 million, a third of its current budget, to $3.9 million. Not less than $1 million would be allocated to fund an undefined "state center on child wellness and trauma."** This is $1million more than either the Governor or the House included in their budgets. **The SWM proposal represents a 1200% increase in the budget of the Child Advocate's office since its establishment in 2008 with a budget of $300,000.** No specific reporting requirements or outcome measures are included in this funding allocation.

   - **SWM would create a separate line item for children's advocacy centers (item 4800-0039) move them out of line item 4800-0038 and increase funding for them by over $1.5 million to $2.5 million.** Children's Advocacy Centers provide multidisciplinary teams consisting of Department of Children and Families workers, police, prosecutors, victim advocates, medical and mental health professionals meet to coordinate a response to allegations of child sexual and severe physical abuse. These funds would be administered by the Massachusetts Children's Alliance.

3. **Overall SWM would substantially increase funding for congregate care for foster youth (item 4800-0041), decrease funding for family foster care (item 4800-0038), and provide only a modest increase in urgently needed funding for services to keep children with their families (item 4800-0040).**

   - Best child welfare practice would require the converse funding prioritization. Highest priority would be given to provide services to keep children safely at home and out of foster care. If children must be removed, all possible services would be provided to strengthen their families so they could return safely at home. Children who must be removed from their parents would be placed with families, with their own extended family whenever possible, and placed in congregate care settings only when their treatment needs required institutional care.

   - Instead, SWM would increase spending on congregate care (item 4800-0041) by $14.3 million to $307.8 million. **This is the largest budget ever for DCF congregate care and the first time in recent history that the budget for congregate care has exceeded the budget for family foster care.** This is the same increase as in the House budget and as proposed by the Governor who stated that $20 million of the proposed congregate care funding was to support the new congregate care network. It is unclear how many congregate care placements in this new network will meet the new baseline quality standards of the federal Family First Prevention Services Act (*see item 3 below*).

   - At the same time, spending on family foster care (item 4800-0038) would be cut by $7.4 million to $299.6 million. The Governor, who proposed the same decrease, noted this would include rate increases for foster parents. This increase is needed, but also suggests there will be fewer family foster homes.

   - Most significantly, although **SWM proposes a modest increase in family stabilization and support services (item 4800-0040) to bring that item to $70.1 million, this allocation is only 10% of DCF's total services budget for these essential services to fulfill DCF's primary mission to keep children safely at home and to reunify children in foster care safely with their families.**

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

4. **Under the SWM budget, as under the Governor's and House budget, it appears**

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

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

- The Massachusetts Law Reform Institute calculates, based on the best publicly available data, that as of October 1, 2021 Massachusetts stands to lose up to $86.5 million a year in federal funding, which would increase over time without mitigation, as a result of its decision not to meet the baseline quality standards, for many providers, that the federal Family First Act has established as a condition of ongoing federal congregate care funding. *(Further information and data available upon request).* **It is unclear whether MA will be able to access other federal funds to replace this lost revenue or will have to rely on increased state funding to fill the gap.**

5. **Massachusetts could also receive uncapped federal funding for services to keep children safely at home -- thereby improving outcomes for children and decreasing the costs of foster care -- if the Commonwealth opted to accept newly available federal reimbursements for the costs of prevention services. To date, however, we are not aware of progress that DCF has made towards becoming eligible for these reimbursements.**

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

6. **Funding for the Commission on the Status of Grandparents raising grandchildren (item 0950-0030) would be level funded at $163,697. This is $50,000 less than the Governor's proposal and the amount in the House budget.**

- This commission could potentially help DCF achieve its goal of increasing kinship foster care placements for children who must be removed from their parents, and kinship guardianships for children who cannot return home to their parents. It could also ensure that DCF provides kinship foster parents the supports they need to best care for the children they have stepped up to care for. DCF's administrative line item (4800-0015) requires that DCF shall "provide services and support to partner with" kinship foster parents "in meeting the child's needs."

7. **DCF social worker salaries (item 4800-1100) would be level-funded at $265.3 million, and their modest training budget (item 4800-0091) would be increased by $13,000**

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

8. **SWM would level fund DCF's administrative account (item 4800-0015) at $114,6 million and would maintain reporting requirements that DCF has not complied with.**

- SWM maintains longstanding reporting requirements which the Legislature requires to fulfill its oversight responsibilities. **However, DCF has not complied with many of these requirements for many years.** These include reports on residential care, high-risk children in DCF's caseload, services, and on the department's efforts to reduce overrepresentation of children of color in its caseload.

9. Family Resource Centers (item 4800-0200) would be increased by $5,500, bringing funding to $23 million. A separate Family Resource Center Line item (item 4000-0051) that funds EOHHS reporting on Family Resources Centers would be level-funded at $500,000 and would add new requirements for reporting on pandemic related services and also for a report to House and Senate Ways and Means "evaluating the feasibility of expanding services provided by family resource centers to assist families in need of intergenerational care services."

10. **Funding for non-secure placements for juvenile offenders (4800-0151) would be eliminated in SWM as it was in the Governor's and the House budget.**

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

11. The domestic violence line item (item 4513-1130) would be increased by $25,000 to $50.4 million. This is $25,000 less than in the House budget. This line item was increased by $12 million in the FY 21 budget.

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

12. The Bureau of Substance Abuse Services (BSAS) (item 4512-0200) would be increased by $6 million, bringing this account to $175.3 million.

- The Governor who proposed to cut this line item expects a portion of FY 21 funding to be available to support this program in FY 22. The Governor also noted a $31.9 million increase over FY 20 throughout his budget in funding to fight opioid misuse.

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

13. SWM would increase by $6.6 million funding for the Committee for Public Counsel Services' account for attorneys who represent indigent parents and children in cases in which DCF is seeking to separate children from their parents (item 0321-1510).

- This is $7 million more than in the House budget. It includes funding for attorneys in both child welfare and criminal proceedings.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 House	FY 22 SWM
4000-0300	MassHealth Administration	$118,759,922	$114,234,923	$118,559,923	$115,234,923
4000-0500	MassHealth Managed Care	$5,943,277,046	$5,595,703,670	$6,048,311,783	$6,046,311,783
4000-0601	MassHealth Senior Care	$3,894,496,052	$3,672,225,668	$3,699,225,668	$3,714,225,672
4000-0700	MassHealth Fee For Service Payments	$3,372,875,665	$2,918,528,635	$3,135,753,542	$3,135,753,542
4000-0880	MassHealth Family Assistance Plan	$391,145,078	$448,183,863	$448,183,863	$448,183,863
4000-0940	MassHealth ACA Expansion Populations	$2,915,195,837	$2,970,596,600	$3,675,946,600	$3,675,946,600
4000-0990	Children's Medical Security Program (CMSP)	$15,435,000	$16,206,750	$16,206,750	$16,206,750
1595-5819	Commonwealth Care Trust Fund	$84,068,536	$94,068,536	$35,000,000	$35,000,000

1. MassHealth funding reflects the benefits of continuous coverage protections during the public health emergency

- In comparison to the Governor's budget, both the House and SWM budgets reflect (1) an increase in gross expenditures due to increased MassHealth enrollment, and (2) a decrease in net expenditures due to increased federal Medicaid revenue at least through Dec 31, 2022. The enhanced federal revenue represents an estimated $515 million in FY 2022 according to the SWM Chairman.
- The Families First Coronavirus Response Act (FFCRA) enacted on March 18, 2020, includes a provision providing states with enhanced federal Medicaid funding in return for protecting Medicaid enrollees from losing coverage during the federally declared public health emergency. The federal HHS Secretary must decide whether to renew the federal declaration every 90 days but on January 22, 2021, the Biden Administration sent a letter to Governors indicating that these protections will likely be extended until the end of calendar year 2021.
- In March 2021, enrollment in MassHealth exceeded 2 million people compared to enrollment of 1.75 million in March 2020. This historically high enrollment reflects the FFCRA's continuous coverage protection and the state and national commitment to ensuring access to critical health benefits during a deadly global pandemic and economic downturn.

2. **Differences between the House and SWM in MassHealth accounts are few (4000-0300, 4000-0500 and 4000-0601)**

- Most of the MassHealth accounts for FY 2022 are funded at the same amount by both the House and SWM with the exception of several funding earmarks in three accounts. SWM also includes language to address the SNAP Gap that was not in the House bill,
- The MassHealth Senior account (4000-0601) is $15 million higher in the SWM bill reflecting $15 million for a 5 percent rate add-on for nursing facilities in which 75 percent or more of the residents are enrolled in MassHealth. This provision is not in the House bill.
- In the MassHealth Administrative account (4000-0300) the SWM account is $3,325,000 lower than the House figure based on SWM's omission of nine of ten earmarks included in the House budget. Among the projects omitted by SWM is $235,000 for Health Care for All (HCFA) for the added costs of operating its consumer assistance Helpline and online support network for other enrollment assistance organizations related to the pandemic. HCFA is sure to see added costs in FY 2022 with the winding down of the FFCRA protection and a massive wave of MassHealth redeterminations.
- The 4000-0300 account also includes a provision directing MassHealth to continue taking action to address the SNAP gap as discussed further in the SNAP section of this summary Similar language was added to the 4000-0300 account in the FY 2021 GAA but the language was not included in the House budget bill for FY 2022.
- The 4000-0500 managed care account is $2 million higher in the House budget based on a $2 million earmark for the Community Care Cooperative (C3), C3 is a MassHealth ACO made up of 18 federally qualified community health centers, and the added funding is to support work to develop pharmacies in its health centers. This funding is not in the SWM budget.

3. **SWM amendments to EAEDC will also extend MassHealth coverage to more very low income seniors (Section 19)**

- The SWM budget provides for eliminating the asset test for both the EAEDC and TAFDC programs as discussed further in the cash assistance section of this summary. (Section 32 and 19). Because EAEDC and TAFDC beneficiaries are automatically eligible for MassHealth, any expansion of the restrictive eligibility criteria for cash assistance will also bring with it MassHealth coverage.
- For people not in a nursing home, MassHealth has no asset test for most people under 65, but it still retains a restrictive asset test for people 65 and older. Seniors can have countable assets no more than $2000 for an individual or $3000 for a couple to qualify for MassHealth. Because EAEDC is available to the people age 65 and older, elimination of the asset test would enable older adults with income under the still very low EAEDC income limits, but assets over $2000/$3000 to have the benefit of MassHealth.

4. **SWM, unlike the House, would give MassHealth more authority to negotiate rebates (Section 20)**

- The SWM budget (Section 20) includes the authority the Governor sought in his budget bill (section 42) authorizing MassHealth to directly negotiate rebate agreements for drugs not subject to the federal Medicaid Drug Rebate Program and for certain non-drug products such as durable medical equipment. The Governor included this same outside section in his budget bill for FY 21 (both the original budget released in January 2020 and the revised budget released in October 2020), but it was not included in the FY21 GAA. For FY 22, the proposal has the support of SWM but not the House.

5. SWM does not interfere with EOHHS moving ahead with a more accountable system of human services transportation

- The House budget, in Section 41B, imposes a 2-year moratorium on new contracts for human services transportation during which time the six regional transportation brokers (of 13 statewide) who currently have such contracts would remain in place. These services include the MassHealth non-emergency transportation program which arranges rides for MassHealth members who do not have private transportation and are unable to use public transportation due to a disability or the lack of available public transportation to get to the medical appointments. MassHealth providers or plans request authorization by a Prescription for Transportation or PT-1 which is how the program is commonly known.
- After a series of listening sessions throughout the state in which MassHealth members with disabilities provided extensive and powerful testimony about the extremely poor performance of the existing regional transportation brokers under the current contracts, MassHealth's November 2019 RFR for these contracts included tougher standards to ensure better quality service and more accountability for poor performance. Only three of the six existing brokers put in a bid, and two were awarded contracts to begin July 1, 2021 for services that would cover the state.
- Most cities and towns were already covered by one of the two RTAs awarded the new contract and would not experience a change in broker but should experience a better and safer experience if the contracts are allowed to take effect. Despite the lengthy and public process leading up to the new contracts, and over the objections of many disability rights groups, the House budget would prevent the new contracts from taking effect during a 2 year moratorium period. SWM includes no such provision.

6. SWM, like the House, reduces the amount of the general fund transfer to the Health Connector with the federal government covering more of the costs in FY 2022 (1595-5819)

- Like the House, SWM reduces the fund transfer to support subsidized coverage through the Health Connector (1595-5819) because the American Rescue Plan Act (ARPA) increases the federal government's share of the costs of affordable insurance obtained through the Health Connector for calendar years 2021 and 2022.
- This will mean even lower premium contributions for most of the 194,000 people currently enrolled in the ConnectorCare program, as well as 18,000 people with income over 300% FPL but not over 400% FPL who are now receiving premium tax credits. In addition, the ARPA for the first time extends premium tax credits to those over 400% FPL. In 2021 only, it also provides that individuals who received just one week of

unemployment compensation will be deemed financially eligible for coverage with no premium contribution.

- Open enrollment for 2021 coverage has been extended to July 23, 2021, and the Health Connector has posted more information about newly expanded options for affordable insurance on its website here: https://www.mahealthconnector.org/american-rescue-plan.

7. SWM like the House includes Health Connector outreach to the uninsured (Section 24)

- This outside section is identical to section 65 of the Governor's budget and Section 15 of the House budget. It authorizes DOR, with a taxpayer's consent, to share information with the Health Connector for the purpose of conducting targeted outreach to uninsured residents who check a box on their tax form indicating they would like to be contacted for help enrolling in affordable coverage. Once contacted, the uninsured resident would be provided with an assessment of their eligibility for coverage through the Health Connector.

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

8. Appropriations of added federal revenue from ARPA for expanding home and community-based services to await a later bill

- The consensus revenue estimates on which the House and SWM budget bills are based did not included additional federal revenue expected from the ARPA enacted March 11, 2021. Included in the added federal revenue available from ARPA is a 10 percent increase in the federal matching rate for a broadly defined set of home and community based MassHealth services, estimated to be over $500 million for the period from April 1, 2021 to March 31, 2022. MassHealth is waiting for guidance from CMS on both spending eligible for the 10 percent increase, permissible uses of the enhanced fund, and the time frame over which funds may be expended.

- In the meantime, MassHealth issued a Request for Information on key questions regarding uses for the funds with responses due by May 7, 2021. This increased funding provides an opportunity for Massachusetts to expand and improve MassHealth home-based services and supports in order to enable more older adults and people with disabilities to live independently and avoid institutional care. More information about this option is available from EOHHS here and from the Kaiser Family Foundation here.

Homeless Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 House	FY 22 SWM
7004-0101	Emergency Assistance	$181m	$195.9m	$195.9m	$195.9m
7004-0108	HomeBASE	$27.2m	$26m	$26m	$26m
7004-0099	DHCD Administration	$8.6m	$7.6m	$7.8m	$7.6m
7004-0100	Operation of Homeless Programs	$6.1m	$6.2m	$6.2m	$6.2m
7004-0102	Homeless Individual Shelters	$56.4m	$53.4m	$56.4m	$56.4m
7004-0104	Home and Healthy for Good Program	$3.9m	$2.9m	$3.9m	$3.9m
7004-9316	Residential Assistance for Families in Transition (RAFT)	$50m*	$18.9m†	$22m±	$16.3m

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

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

± This is the total amount; $22 million is from direct appropriation, plus $4.7 from the Housing Preservation and Stabilization Trust Fund (HPSTF).

1. **Emergency Assistance (7004-0101) would be funded at $195.9 million**, matching the Governor's and House proposals. The Emergency Assistance (EA) program provides emergency shelter to certain families with children who are experiencing homelessness and have no safe place to stay.

   - SWM included at least $150,000 and language to create an independent ombudsman's office in the Executive Office of Housing and Economic Development, to investigate and resolve complaints regarding the EA and HomeBASE programs, including acting as mediator and advocate for applicants and participants.

   - SWM retains language intended to protect many families and children from first having to prove they slept in a place not meant for human habitation before they can be eligible for shelter. Advocates continue to push for clarification about how this new language is being implemented so that children must not first sleep in cars, emergency rooms, or other inappropriate places before they can access shelter.

   - SWM continues to allow families to maintain eligibility for EA until they exceed 200% of the federal poverty guideline for 90 consecutive days.

   - SWM maintains the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing any new eligibility or benefits restrictions. In previous years this language has been critical to giving the Legislature time to ensure that access to EA for children and families is not unduly restricted.

- SWM maintains requirements that DHCD report quarterly to the Legislature about what is happening to families, including those denied shelter, and includes additional data requirements including on shelter type related to the coronavirus and race and ethnicity data. These requirements were included in the FY 21 budget, and advocates will work to ensure they continue to be included.

2. **HomeBASE (7004-0108) would be funded at $26 million,** matching the Governor's and House proposals. HomeBASE was created in FY 12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

   - SWM does not include language advocates requested that would provide additional benefits to families who time out of HomeBASE before securing permanent housing during the ongoing state of emergency.
   - SWM reinstates the $10,000 maximum assistance cap on funds from HomeBASE and RAFT, but suspends application until the end of the state of emergency.
   - SWM maintains the obligation that DHCD provide the Legislature with 90 days' advance notice before imposing new eligibility restrictions or benefits reductions.
   - SWM maintains DHCD's obligation to provide timely reports to the Legislature. This language was included in the enacted FY 21 budget but removed in the Governor's H1 proposal, and advocates will work to ensure it continues to be included.
   - SWM would continue to allow DHCD to expend funds on HomeBASE for eligible families in domestic violence and residential treatment programs (4512-0200 and 4513-1130), as originally proposed in an FY 17 pilot program. Only families in these shelters who meet all EA eligibility requirements could receive assistance.

3. **DHCD Administrative line item (7004-0099) would be funded at approximately $7.6 million,** matching the Governor's and House proposals.

   - SWM maintains the requirement that DHCD promulgate and enforce regulations clarifying that recipients of HomeBASE housing assistance should remain eligible for a homelessness priority or preference in state subsidized housing, which the Governor proposed to eliminate. This language has been included in budgets for the past several years, and advocates will work to ensure that it continues to be included.

   - SWM maintains language requiring DHCD to maintain in-person intake locations in the 10 offices that were open as of January 2020, which the Governor proposed to eliminate. Advocates will work to restore this language and monitor to ensure that offices remain available for in-person access once offices are able to re-open.

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

4. **DHCD homelessness operations account (7004-0100) would be funded at $6.2 million**, matching the Governor's and House proposals.

5. **Shelters and services for homeless individuals (7004-0102) would be funded at $56.4 million,** matching the FY21 allocation and House proposal.

6. **Home and Healthy for Good program (7004-0104) would be decreased to just under $3.9 million,** matching the FY21 allocation and the House proposal. This program provides housing for chronically homeless individuals.

7. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at $16.3 million.** RAFT is a homelessness prevention program that provides assistance with rent, mortgages, and other housing related costs.

    - In FY 21 funding for RAFT was increased in response to the coronavirus emergency. DHCD has established the Emergency Rental Assistance Program (ERAP), a rental assistance program for tenants with incomes up to 80% AMI affected by COVID-19, using temporary federal funds. Advocates will continue to push for adequate state funding.

    - SWM would maintain the increased maximum benefit amount of $10,000 per household over a 12-month period.

    - SWM removes the House proposal that $4.7m from the Housing Preservation and Stabilization Trust Fund (HPSTF) be made available for RAFT.

    - SWM includes language that the funds in this line item are in addition to federal rental assistance funds, and that those funds must prioritize communities affected by the coronavirus, and geographic equity.

    - SWM would maintain the obligation that DHCD provide quarterly reports to the Legislature, which was included in previous budgets.

    - SWM provides that no less than $3 million be directed to expanded household types including elders, people with disabilities, and unaccompanied youths.

Housing

Account	Description	FY 21 General Appropriation	FY 22 Governor's Budget	FY 22 House	FY 22 SWM
7004-9005	Public Housing Operating Subsidies	$80m	$75m	$84m	$85m
7004-9007	Public Housing Reform	$1m	$1m	$1m	$1m
7004-9024	Massachusetts Rental Voucher Program	$135m	$122.6m	$128.4m plus carry forward of $20m from FY20	$129.9m plus $20m carry forward from FY21 = $150m
7004-9030	Alternative Housing Voucher Program	$10,621,601	$5,621,601 Eliminated FY 21 one-time costs	$8.7m plus carry forward of $5.5m from FY21 = $14.2m	$8.7m plus $5.5m carry forward from FY21 = $14.2m
7004-3045	Tenancy Preservation Program	$1.5m	$1.3m Eliminated FY 21 one-time costs	$1.8m	$1.5m
7004-9033	Rental Subsidy Program for DMH Clients	$10.5m	$10.5m	$12.5m	$12.5m

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides operating funds for state public housing, would be funded under HWM at **$85 million, $5 million more than the $80 million appropriated in the FY 21 budget**. SWM continues to provide that the Department of Housing and Community Development (DHCD) make efforts to rehabilitate local housing authority family units in need of repairs requiring $10,000 or less. SWM budget does not provide that housing authorities operating elderly public housing offer first preference for elderly public housing units that are vacant on the effective date of this act, and thereafter, to those persons 60 years of age or older as of June 30, 2021 receiving rental assistance from the Massachusetts rental voucher program as did the House FY22 proposed budget and the Final FY 21 budget.

   Public Housing is one of the most critical sources of affordable housing for extremely low-income families, seniors, and people with disabilities. There are approximately 45,600 state public housing units (13,450 units for families, 30,250 units for seniors and people with disabilities, and 1,900 for people with special needs). With over 152,000 households on the state's public housing waiting list, every one of these apartments is critical to maintain through operating subsidies. An increase in operating subsidy is needed to preserve public housing and also to ensure that apartments that are desperately needed do not remain vacant because they are not up to code.

2. **Public Housing Reform (item 7004-9007)** for costs associated with the implementation of the public housing reform law passed in 2014 would be **level funded at $1 million**.

Reforms in the 2014 law in need of continued funding include technical assistance training for resident commissioners and tenant organizations. Over the past three years this line item has contributed to funding a Public Housing Training Program successfully launched by the Mel King Institute at the Massachusetts Association of Community Development Corporations. The trainings help resident leaders and resident commissioners on housing authority boards participate and engage in the development of housing authority policies in order to strengthen public housing communities.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024)** provides long-term tenant-based and project-based rental subsidies to approximately ten thousand low-income households for use in the private housing market. SWM funds MRVP at $129,981,667 with a likely carry forward from FY2021 of $20 million for a total of $150 million. Advocates had requested $160 million and will work for increased funding, an increase in the number of subsidies.

- SWM makes changes to the share of tenant income paid for rent during initial occupancy. Under the current and House-passed budgets voucher holders pay at least 30% but not more than 40% of income for rent during the first year of occupancy. After that first year tenants with mobile vouchers can pay more than 40% at their option. The SWM budget caps project-based tenant share at 30% of income but allows mobile voucher tenants to pay more than 30% at their option at initial occupancy. As a result, in the first year of the tenancy and beyond some mobile voucher tenants could pay more than 40% of their extremely low-income for rent leaving very little for other costs of living. Many advocates want to see tenant share of the rent capped at 30% of income for both project-based and tenant-based vouchers while others want to maintain a tenant's "choice" to pay a higher share of income in order to rent or keep a unit.

- SWM continues the provision in previous budgets setting the MRVP income limits at 80% of area median ("low-income") and allowing DHCD to target up to 75% of the vouchers to extremely low-income households with incomes not more than 30% of area median.

4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. Like the House, SWM includes a carry forward of $5.5 million for a total of $14.2 million – the amount requested by advocates.

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 under SWM at $1.5 million, which is $300,000 less than the FY22 proposed budget passed by the House**. SWM budget also adds language that "prior appropriation continued." 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

increased by SWM to $12.5 million, an increase of approximately $2 million from FY 21 final budget. This is the same amount as proposed by the House for the FY 22 budget.

Legal Services

Account	Description	FY 21 General Appropriation	FY 22 Governor's Initial Budget	FY 22 House	FY 22 SWM
0321-1600	MLAC	$29m	$29m	$35m	$35m

1. 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 $35 million. This increase of $6 million over the FY 21 amount, which is also the House recommendation, will provide additional resources to legal aid programs across the state in a time of increased demand for civil legal services.

Taxation

1. In **sections 11 and 14**, SWM recommends converting existing tax deductions for expenses for the care of children under 12, dependent adults and business-related dependent care expenses into refundable tax credits, which are to be capped at a maximum of $480. This change will be particularly helpful for families with low taxable incomes for whom a tax deduction yields little if any real benefit.

For more information on our Senate Ways and Means Budget summary, contact Brian Reichart (breichart@mlri.org) who will direct your question to the appropriate advocate.