House Ways and Means FY 2026 Budget Proposal: Preliminary Analysis of Key Issues Affecting Low-Income Massachusetts Residents

April 17, 2025

On April 16, 2025, the House Committee on Ways and Means released its budget proposal for fiscal year 2026 (FY 26), which is referred to as House 4000. MLRI offers this preliminary analysis of selected budget topics affecting low-income residents of the Commonwealth.

40 COURT STREET, SUITE 700, BOSTON, MA 02108
PHONE: 617-357-0700 • FAX: 617-357-0777 • INFO@MLRI.ORG

Cash Assistance, SNAP and Related Items Administered by DTA

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 HWM
4403-2000	TAFDC	$496,227,969	$466,729,423	$467,416,063
4401-1000	Employment Services	$18,888,929	$20,557,862	$18,857,862
4400-1979	Pathways to Self Sufficiency	$1,000,073	$990,072	$990,072
4408-1000	EAEDC	$183,182,092	$208,990,924	$208,990,924
4405-2000	State supplement to SSI	$207,132,056	$195,347,995	$195,347,995
4403-2007	Supp. Nutrition Program	$350,000	$8,359,783	$8,359,783
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	$356,537	$356,537
4403-2119	Structured Settings for Parents Under 22	$13,846,348	$13,862,439	$13,862,439
4401-1003	Two Generation Economic Mobility	$2,000,000	$1,980,000	$1,980,000
4400-1100	Caseworkers Reserve	$96,440,102	$142,913,665	$101,262,107
4400-1000	DTA Administration and Operation	$103,005,936*	$112,502,510	$107,462,031
4400-1025	Domestic Violence Specialists	$2,194,657	$2,329,398	$2,329,397
4400-1001	Food Stamp Participation Rate Programs	$5,019,027	$5,294,419	$5,024,032
4400-1004	Healthy Incentives Program (HIP)	$15,000,000	$18,820,000	$20,000,000
4400-1031	Replacing Stolen SNAP Benefits	Authorization to continue $1,000,000 prior appropriation through Sept. 1, 2025	$0 (Not included in FY26)	$0 (Not included in FY26)

* For line items 4400-1100 and 4400-1000 above, the FY24 Supp Budget (Chapter 77 of the Acts of 2023), provided a $60.3 million reserve (item 1599-1101) authorizing DTA to access those funds for both DTA case worker and related admin expenditures through June 30, 2025. According to DTA, the $60.3M was evening distributed between the Caseworker Reserve and Administration and Operation line item, providing for the union-negotiated pay increases and to hire 400 additional staff to address the growing caseload

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

Assistance)

- **TAFDC and EAEDC Grant Increases Maintained.** House Ways and Means would maintain in FY 26 a 10% increase for TAFDC and EAEDC, which became effective in April 2025. Both TAFDC and EAEDC line items (4403-2000 and 4408-1000, respectively) contain language indicating that the standards for FY 26 shall not be less than those in effect in FY 25. In April 2025, TAFDC and EAEDC grant levels increased by 10%, pursuant to the FY 25 Budget. The Governor's House 1 proposal would eliminate that grant increase at the start of FY 26, reducing grant levels in July 2025 down to the amounts that went into effect in October 2022, three years earlier. The FY 24 budget (July 2023-June 2024) also increased grants by 10% starting April 2024, but the Governor eliminated that increase in January 2024 using her "9C" powers.

  After the April 2025 increase took effect, the maximum TAFDC grant for a family of three went up to $861 per month, and the maximum EAEDC grant for an individual went up to $441 per month. Despite these increases, grant levels remain below half the federal poverty level, also known as Deep Poverty. Deep Poverty recently increased to $1,110 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 40% of their value since 1988; EAEDC grants have lost even more. H.214 (Rep. Decker) and S.118 (Sen. DiDomenico) would increase benefits by 20% a year until they reach half the federal poverty level, and then would increase benefit levels more slowly as the poverty level increases with inflation.

- **TAFDC Clothing Allowance reduction.** House Ways and Means proposes to reduce the annual TAFDC children's clothing allowance (item 4403-2000) to $450 per child, down from $500 in FY 25. The Governor proposed maintaining the FY 25 clothing allowance amount at $500. The clothing allowance is an important benefit for families with children, provided once per year in the month of September, to help families buy necessary clothing items close to the beginning of the school year. 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.

- **Reduced funding for TAFDC line item.** House Ways and Means proposes $467.4 million for TAFDC (4403-2000), lower than FY 25 but $686,640 higher than the Governor, even though House Ways and Means' proposal includes annualization of the 10% increase from FY 25 and the Governor's proposal eliminates the increase. Perhaps House Ways and Means is projecting a lower caseload average for FY 26 than the Governor. The caseload hit a low in FY 21 and then increased until FY 25; the rate of increase slowed in FY 25 and has decreased slightly in recent months. In FY 24, the Administration did not spend about $8 million of the funds available for TAFDC after the January 2024 9C cuts. Instead, that money – badly needed by TAFDC families – reverted to the state Treasury. Should the TAFDC caseload decline further in FY 25, advocates urge that any resulting surplus be used to support further increases to woefully low grants or address other unmet needs, rather than reverting to the Treasury.

We note that House Ways and Means states "provided further, that the payment standard and need standard for fiscal year 2026 shall be not less than the standards set forth in this item." We assume House Ways and Means intended to reference the following fiscal year, FY 2027, for purposes of this clause.

- **Expansion of access to TAFDC for pregnant persons.** House Ways and Means, like the Governor, proposes changing the TAFDC line-item language (4403-2000) to expand access to cash assistance for pregnant people. In the past, the line item included language restricting cash assistance eligibility to people in their third trimester of pregnancy. This restriction was not required by any federal or state law. In the Fiscal Health and Prospects note accompanying the Governor's proposal, the Administration points to this change as part of a broader effort to prioritize maternal health and reproductive care. We applaud the recognition by the Healey Administration and by House Ways and Means of the critical role that cash assistance can play in supporting low-income people throughout the entirety of their pregnancy. However, the maximum cash grant for a pregnant person with no income is only $564 a month, even with the 10% increase effective April 2025. Improving maternal and fetal health outcomes requires higher grants than the TAFDC program currently provides.

- **No changes to the TAFDC Learnfare rule or other antiquated TAFDC rules.** Learnfare sanctions children if they are determined to have had too many absences the school does not record as excused. Last school year over 3,000 children were put on "Learnfare probation" and 500 children were cut off their family's grant. There is no evidence that sanctioning children helps them stay in school. Other examples of TAFDC behavioral rules – many with racist origins – include requirements that the parent pursue child support against the noncustodial parent even when doing so is not in the child's best interest, work requirements, time limits, and terminating TAFDC for children when they reach age 18 if they won't graduate from high school by age 19.
- **No stipend funding for DTA advisory board participants.** Unlike the Governor's proposal, House Ways and Means does not propose to continue the provision of stipends for applicants and recipients who participate in DTA advisory boards in the TAFDC line item (4403-2000). The stipend is $400 a year and is not counted as income. Recipient participation on Boards ensures the voices of consumers are heard and helps identify access issues and inform state policy. Stipends help address the costs (childcare, travel, internet) of attending. We also recommend that DTA 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.

- **Maintaining benefit levels for families in shelter.** 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. Families in shelter use TAFDC benefits to build up savings for rental costs once they obtain housing and travel costs to search for housing and/or employment. Reducing benefits for families in shelter would stymie those efforts.

- **Preventing changes to benefit calculations that would result in benefit decrease.** 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.

- **Maintaining Transitional Support Services for families whose TAFDC case closes due to income.** House Ways and Means proposes just under $1 million for Transitional Support Services (item 4403-2000), slightly less than the Governor's proposed $1 million. Currently, these families are eligible for four months of transitional benefits after their TAFDC, starting at $280 a month and reducing month by month to $70 in the fourth month. Transitional Support Services serve as an off-ramp for families whose case closes due to being over-income for TAFDC, including due to sustained employment.

- **Employment Services Program and Pathways to Self Sufficiency funded at slightly reduced amounts.** The Employment Services Program (ESP, item 4401-1000) would be funded at $18.9 million, less than the Governor's proposal of $20.6 million, and the Pathways to Self Sufficiency line item (4400-1979) would be funded at $990,072, slightly below the FY 25 amount. 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, 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.

- **Increased funding for EAEDC line item.** EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be funded at $209 million, an increase of nearly $26 million compared with the FY 25 appropriation of $183.2 million. As with TAFDC, the FY 25 Budget provided a 10% grant increase starting April 2025, for the last three months of FY 25. The House Ways and Means' funding proposal is the same as the Governor's, even though House Ways and Means includes annualization of the 10% increase from FY 25 and the Governor's proposal eliminates the increase. Perhaps House Ways and Means is projecting a lower caseload average for FY 26 than the Governor projected. EAEDC caseloads have been relatively stable, increasing slowly over FY 25.

  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. EAEDC is especially important for older adults and persons with disabilities who may face longer waits for their Social Security and SSI benefits due to the Trump Administration's planned closure of some SSA field offices, reduced telephone access, and increased in-person requirements.

- 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.

  We note that House Ways and Means states "provided further, that the payment standard and need standard for fiscal year 2026 shall be not less than the standards set forth in this item." We assume House Ways and Means intended to reference the following fiscal year, FY 2027, for purposes of this clause.

- **Reduction in State Supplement for SSI line item.** The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $195.3 million, the same as the Governor's proposal - this represents a $11.8 million drop from the $207.1 million FY25 appropriation, due to a decline in the caseload. Like many other states, Massachusetts provides a state-funded supplement to federal SSI. The Massachusetts amount varies depending on the person's living arrangement and whether the person is 65 or older, blind, or severely disabled. In Massachusetts, the state supplement for a disabled person is currently $114 a month. It has not been raised in many years.

- **Increase to Supplemental Nutrition Program for working families.** The Supplemental Nutrition Program (item 4403-2007) would be increased to $8.4 million because of a change in federal law; this is the same as the Governor's proposal. This program provides a small state SNAP supplement to thousands of low-income working families who receive federal SNAP benefits.

- **Secure Jobs Connect (item 4400-1020)** would be funded at $5 million, the same amount as the Governor proposed and a $50,000 decrease from FY 25. 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 reduced to just under $360,000, a reduction of about $140,000; this is the same as the Governor's proposal. This account provides transportation assistance to SNAP beneficiaries who need transportation to participate in a work activity and keep their benefits.

- **Increasing participation in SNAP (item 4400-1001) would be level-funded at approximately $5 million.** The Governor proposes $5.3 million for this "Food Stamps Participation Rate Programs" line item, an increase from the $5 million appropriated for FY 25. The line item provides funding for Project Bread's Food Source Hotline and other DTA projects to increase access to SNAP benefits. Many

SNAP outreach activities are 50% federally reimbursable.

2. **Living programs for parents under 22 (item 4403-2119).** House Ways and Means proposes $13.9 million in funding, the same amount as the Governor proposed and slightly more than the FY 25 appropriation.

3. **Funding for DTA domestic violence workers (item 4400-1025).** House Ways and Means proposes an increase from $2.2 million to $2.3 million, the same amount the Governor proposed. This may be due to previously agreed-upon salary increases.

4. **DTA Administration and Operations (item 4400-1000) and DTA Case Worker Reserve (item 4400-1100) facing significant cuts.**

   House Ways and Means proposed significant cuts to the DTA operations line item and especially the DTA case workers line item, compared to the FY 25 appropriation.

   For context, SNAP currently helps 1 in 6 MA residents put food on the table –about 260,000 older adults, 310,000 people with severe disabilities, and 345,000 children. SNAP benefits are 100% federally funded and issued directly to families. Roughly 50% of the state's SNAP administrative costs - front line case managers, IT, support staff, etc, - are federally reimbursed. SNAP is the most efficient and effective benefit program to address food insecurity, support local grocers and stimulate the Commonwealth's economy.

   Since the start of the COVID-19 pandemic, DTA has focused on simplifying access with federal options and boosting the number of MassHealth families eligible for SNAP. The boost is in large part thanks to both the advocacy of the "SNAP Gap" Coalition and the Legislature's directives in FY21 and FY22 to allow MassHealth applicants to apply for SNAP at the same time as well as the hard work of the 100+ SNAP community-based outreach partners. Due to elevated rates of economic need across the Commonwealth, the SNAP caseload increased 50% between March 2020 and July 2024. At the same time, food costs continue to skyrocket, and especially now with the recent threat of tariffs. The MA food banks reported at the end of 2024 that demand for emergency food at their partner agencies had doubled since 2020.

   Unfortunately since July of 2024, low income Massachusetts households have faced extraordinary barriers getting help from DTA. **From July 2024 to February 2025, the SNAP caseload declined by nearly 18,000 households, including 13,000 children**. This decline is largely due to access barriers: Between December 2024 and February 2025, the rate of calls automatically disconnected increased to an average of 62 percent. Calls not disconnected are often on hold for lengthy time periods - nearly half must wait 50 to 60 minutes. In-person visits to local offices tripled from fall 2022 to fall 2024 for households unable to reach DTA by phone. Roughly one third of all SNAP applications denied were denied due to lack of the federally-required interview with a DTA worker – in large part because applicants could not reach DTA staff.

The SNAP caseload should mirror economic trends - if that were occurring now, the MA SNAP caseload would be steady or slightly increasing, not steadily declining. For DTA to provide timely customer service to otherwise eligible residents and increase federal nutrition resources, DTA needs to both increase front line staffing and make long overdue improvements to its phone and eligibility systems. The state's failure to sufficiently invest in DTA's infrastructure will prevent tens of thousands of eligible households from connecting to SNAP, de-facto turning away hundreds of millions of federal dollars that both feed households and boost our economy.

- **Stunning $41M cut for DTA Caseworkers Reserve (item 4400-1100) from the Governor's House 1 budget request of $142.9M for DTA caseworkers.** While this item was originally funded at $96.4 million in the FY 25 General Appropriation, it is critical to note that DTA received $60.3 million in the FY 24 Supplemental Budget reserve account (item 1599-1101), Chapter 77 of the Act of 2023, to fund *both* the Caseworker Reserve and DTA Administration and Operation expenditures for administrative expenses in FY 24 and FY 25. According to DTA, this $60.3 in supplemental funding was split between the two line items. This supplemental funding addressed both negotiated collective bargaining pay increases, as well as allowed DTA to hire an additional 400 case workers added at the end of FY 24 and early FY 25. It is not clear if the lower Ways and Means level is a clerical error or intended to cut DTA staffing. Given the SNAP caseload decline discussed above and risk of loss of federal nutrition dollars to the Commonwealth, DTA needs additional funding to ensure staffing meets community needs and maximizes federal benefits.

- **DTA Administration and Operations funding (item 4400-1000) would be funded at $107.5 million, $5 million lower than the Governor's proposal of $112.5 million** but slightly increased from the FY 25 appropriation of $103 million. This line item funds both DTA Central Office staff and local DTA office clerical and support staff. DTA hearings officers, training staff and other support services (many of whom are NAGE union members). As noted above, DTA was provided an additional $60.3 million reserve in an FY 24 supplemental budget. Some of the increase over FY 25 reflects proposed spending on Central Office staffing and salaries, IT investments to manage DTA benefit programs, or long-overdue EBT card security improvements. The proposed FY 26 amount will likely not support the IT improvements critical to addressing access issues and participation gaps.

5. Funding to address EBT card skimming and SNAP theft

- **No replacement funds for stolen SNAP.** Distressingly, neither House Ways and Means nor the Governor propose funds to replace stolen SNAP benefits. Line item 4400-1031, which funded replacement of stolen SNAP in prior fiscal years, was not included in the House Ways and Means FY 26 budget. Congress previously enacted partial replacement for benefits stolen by skimming or phishing starting October 1, 2022, capping replacement amounts, through December 20, 2024. Congress failed to extend the replacement provision for benefits stolen after December 20, 2024. Massachusetts has been a leader in ensuring families who are stolen from are made whole. Over the last two years the legislature provided $3 million for "wraparound" relief to cover federal gaps in replacement. As SNAP skimming continues, victims of theft are left scrambling to pay for groceries - skipping meals, incurring debt, using rent funds, or missing bill payments to buy food. Approximately $8 million is needed to replace stolen SNAP in FY 26 until DTA can implement chip/tap EBT cards.

- **No chip/tap EBT funds to address systemic card security issues.** The Governor did recently propose $15.5 million in an FY 25 supplemental budget (H. 4003) for DTA to issue chip/tap EBT cards (half of that cost would be reimbursed by the federal government). House Ways and Means does not propose funding or any requirements to improve EBT card security to address this persistent issue.

  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, highly sophisticated criminal rings have stolen over $15 million SNAP benefits from over 30,000 low-income Massachusetts families.

  Improved technology is long overdue. The need for enhanced card security is made more urgent by Congress's failure to extend federal replacement of SNAP stolen after December 20, 2024.

  MLRI strongly supports the FY 25 supplemental budget proposal to provide $15.5 million for DTA to transition to chip/tap EBT cards. Failure to implement chip/tap cards in FY 26 will leave 1 in 6 Massachusetts residents vulnerable to theft and continue allowing sophisticated criminal rings to steal from families. And, for technological reasons, implementing chip/tap EBT cards is a necessary precursor to mobile EBT (mobile EBT was funded in the FY 25 budget). California became the first state in the country to begin issuing chip/tap EBT cards in January 2025. Massachusetts must also implement chip/tap as soon as possible to protect low-income consumers and tax dollars.

6. Healthy Incentives Program (HIP)

- **Healthy Incentives Program (HIP) (item 4400-1004) is funded at $20 million.** This is $2.5 million higher than the $18.8 million in the current FY25 budget, but $5M lower than $25 million appropriated in FY 24. In FY 24, HIP was fully funded at $25.1 million. In December of 2024, due to insufficient FY25 funding, DTA was forced to reduce HIP benefits to $20/month for all households – a 50% cut for one- and two-person households previously eligible for $40/month and a much deeper cut for larger sized households. Advocates are continuing to urge the Governor and Legislature to restore partial HIP funding in an FY 25 Supplemental Budget for the remainder of FY 25 and as many farmers markets open up, as well as increase HIP in the FY 26 budget to $25 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 (over 56%), helping them to access locally grown food and decrease social isolation. Over 100 farmers, CSAs and farm stands now participate in HIP.

Health Issues in MassHealth and ConnectorCare

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 HWM
4000-0300	EOHHS and Medicaid Administration	$150,814,925	$155,940,882	$157,140,881
4000-0430	MassHealth CommonHealth Plan	$197,558,111	$340,074,133	$340,074,133
4000-0500	MassHealth Managed Care	$6,096,292,394	$6,013,317,263	$6,013,267,263
4000-0601	MassHealth Senior Care	$4,558,789,945	$5,136,638,566	$5,117,088,567
4000-0700	MassHealth Fee For Service Payments	$4,182,001,231	$4,408,079,088	$4,231,525,812
4000-0880	MassHealth Family Assistance Plan	$371,307,845	$576,309,407	$576,309,407
4000-0940	MassHealth ACA Expansion Populations	$2,422,764,172	$3,587,499,744	$3,587,449,744
4000-0990	Children's Medical Security Program (CMSP)	$35,000,000	$42,600,000	$42,600,000
1595-5819	Commonwealth Care Trust Fund	$35,000,000	$0	$0

1. **The House Ways and Means Budget (HWM) proposes $22.43 billion to fully support MassHealth's 2 million members**

- HWM proposes $22.43 billion gross to support programmatic MassHealth spending in FY 2026 for over 2 million state residents. This amount is comparable to the $22.6 billion gross amount proposed by the Governor in House 1. Overall, the difference in gross spending between the two bills is less than 1 per cent. Both HWM and House 1 project FY 26 spending needs based on actual FY 25 spending rather than the significantly lower amount appropriated in the FY 25 GAA.

- The revenue and spending assumptions in the HWM budget, like those in House 1, are based on consensus revenue estimates developed in January and do not attempt to predict federal funding changes in FY 26. However, in her testimony before the Joint Ways and Means Committee, Secretary Walsh made clear what is at risk in Massachusetts from proposals Congress will soon be debating to significantly reduce the federal investment in the Medicaid program, as well as to impose programmatic changes that will reduce coverage and access to care. The FY 26 budget proposals anticipate $13.9 billion in federal Medicaid revenue to support programmatic spending for MassHealth beneficiaries, which include 48% of the Commonwealth's children, 50% of people with disabilities, and over 70% of nursing home residents. Medicaid is a vital source of health insurance for over 70 million people nationwide, and there is no doubt that the cuts being contemplated at the federal level would take health care away from the people who need it most unless we all join forces to defend Medicaid.

2. Assumptions based on MassHealth policy changes from House 1 are likely also embedded in HWM.

- House 1 assumed both spending and savings initiatives in its budget based on several MassHealth policy changes that would not require any new statutory authority. Because HWM numbers are comparable to those in House 1, and it contains no language stating otherwise, the following assumptions based on MassHealth policy changes from House 1 are likely also assumed in the HWM budget:

  a) *Raising the asset limit:* Asset limits of $2,000 for single adults and $3,000 for couples have not been updated since 1989. MassHealth plans to raise these asset limits to $5,000 for individuals and $7,500 for couples, and to reflect inflation over time. Asset limits apply to people aged 65 and older applying for MassHealth, as well as to people applying for nursing home care or home and community-based waiver programs (HCBS).

  b) *Increasing the excluded value of whole life insurance:* Under current rules, if a whole life insurance policy has a face value of more than $1,500, MassHealth counts the entire cash surrender value of the policy toward the $2,000 asset limit. MassHealth plans to change this so that the first $10,000 cash surrender value is *not* counted towards the $2,000 asset limit.

  c) *Making it easier for people to qualify for HCBS and PACE based on income*: Home and Community Based Services (HCBS) waivers and the Program for All Inclusive Care for the Elderly (PACE) enable people who qualify for a nursing home level of care to get the care they need in their homes. Currently, people who have too much income to qualify for HCBS and PACE may qualify after incurring a high level of medical costs that would reduce their income to a very low threshold amount. MassHealth plans to raise that threshold significantly, making it easier for people to qualify. This is a long-sought-after reform and will help more people live independently.

  d) *Making it harder to qualify for HCBS and PACE based on asse*ts: MassHealth plans to impose a five year "look back" period to HCBS and PACE applications, ensuring applicants have not transferred assets in the past five years for the purposes of qualifying. MassHealth also plans to start counting an applicant's spouse's assets under the spousal impoverishment rules when determining eligibility for PACE.

  e) *Raising MassHealth premiums:* Most MassHealth members do not pay premiums, but children in the Family Assistance program and CommonHealth members with incomes over 150% of the poverty level do. MassHealth plans to increase premiums 10% across the board, averaging about $5 to $10 per month more for members. Premiums have remained the same for over 10 years, but under this new plan, they would be indexed to inflation.

3. **HWM recommits to maintaining the PCA program's current eligibility criteria and level of services in FY26 and extends the mandate of a task force to make recommendations for the long-term sustainability of the program. (4000-0300, 4000-0500, 4000-0601, and 4000-0700; Section 67)**

- Last year, the FY 25 GAA rejected the Governor's FY 25 budget's proposed cuts to the scope of the Personal Care Attendant (PCA) program by requiring that the PCA program maintain the same eligibility criteria and level of services for FY 25. HWM requires in four separate sections that the PCA program maintain the same eligibility criteria and level of services in FY 26 as were available in FY 25.

- MassHealth's PCA program is an important benefit that helps members with permanent or chronic disabilities live in the community and manage their own care by paying for personal care attendants to help with activities of daily living (ADLs) such as bathing, eating, toileting and transfers, and "Instrumental" ADLs such as shopping, housekeeping, laundry, and meal preparation. House 1 does not include the Governor's proposal from FY 25, instead it proposes in Section 73 that the total growth in the PCA program in future years be limited to the health care cost growth benchmark set by the Health Policy Commission (HPC). This proposal would almost certainly result in fewer individuals receiving needed PCA services, and HWM includes no such provision.

- The FY 25 GAA also directed EOHHS to convene a working group of stakeholders in the PCA program to study the program and issue a report on the long-term sustainability and cost containment on or before March 7, 2025. The working group published its report on February 28, 2025, and presented three consensus recommendations. The report offered that with more time, the members of the workgroup could identify additional recommendations. HWM provides the PCA workgroup this opportunity in Section 67, which authorized them to continue their work developing recommendations for the long-term sustainability of the PCA program. The workgroup is also directed to specifically consider cost growth targets and how to achieve those targets.

4. **HWM adopts the Governor's recommended changes to state law to limit eligibility for the Senior Care Options program to only individuals aged 65 and older enrolled in both Medicare and Medicaid and assumes other changes affecting older adults eligible for Medicare but not enrolled. (Sections 24-26)**

- HWM follows House 1 in amending G.L. c. 118E, § 9D, to limit eligibility for the Senior Care Options (SCO) program to MassHealth members who are also eligible for Medicare, members known as dual eligibles. This change will take effect January 1, 2026.

- Currently, there are about 8,000 SCO members only enrolled in MassHealth Standard. Many may also be eligible for Medicare coverage, and MassHealth is planning an outreach initiative this spring to help them to enroll. If the statute is amended to limit SCO to dual eligibles, current SCO members who remain eligible for MassHealth Standard but do not enroll in Medicare will lose access to care coordination and other benefits of the SCO program when they transition to

MassHealth fee for service coverage, and in the future only older adults enrolled in both MassHealth and Medicare will have access to the advantages of the SCO program.

- However, MassHealth is also planning to implement a cost savings initiative in FY 26 that does not require a change in state legislation and will result in older adults losing MassHealth Standard coverage if they are eligible for Medicare at no added cost and do not take required action to enroll in Medicare by a deadline. This is one of the cost-saving initiatives outlined in January when House 1 was released and assumed by HWM that will affect a larger number of adults than those enrolled in SCO. Increasing Medicare enrollment will save money by making MassHealth the secondary payer, but it will also save money, at least in the short term, by terminating MassHealth Standard coverage for older adults who do not comply.

- Most older adults who have not enrolled in Medicare most likely did not enroll because they do not have sufficient work credits to qualify for Social Security Insurance-based benefits and would have to pay a premium for Medicare Part A coverage. Medicare Part A has no premium for those who have sufficient work credits. The MassHealth Medicare Savings Program can pay the Part A premium but only if the older adults first contact Social Security and complete the enrollment process. The process is more complicated for people not eligible for Social Security Insurance-based benefits. Current changes in SSA policy and procedure, as well as staffing cuts, have exponentially increased the difficulty of reaching the agency and are the subject of pending litigation.

- MassHealth has committed to expanded outreach and assistance to reach affected older adults and assist them in scheduling appointments with SSA. It has enlisted SCO, PACE, and nursing homes to reach out to their members and patients whom MassHealth has identified as eligible for Medicare and the Medicaid Savings Program to also encourage them to enroll. No one can object to stepped up outreach and assistance to help MassHealth members eligible for Medicare at no added cost to enroll. However, the plan to terminate those who are not successful navigating the process at some point in FY 26 is problematic at best, especially coming at a time of such upheaval at SSA.

5. HWM continues the ConnectorCare pilot benefiting over 50,000 people in 2026. (Sections 61-63)

- In FY 24, Massachusetts enacted a two-year pilot program to increase the upper income level for the ConnectorCare program from 300% to 500% of the federal poverty level for calendar years 2024 and 2025. The HWM budget, like House 1, proposes to continue the pilot for one more year. In its August 2024 report on the pilot's first year, the Health Connector found that the average state supplement was $38 per month for those from 301-400% of the poverty level and $89 for those from 401-500% of the poverty level, with the balance of premium costs paid by federal premium tax credits and member contributions.

- However, a key factor supporting initiatives like the ConnectorCare pilot was a change in federal law that since 2021 has enhanced the amount of premium tax credits and lifted the 400% of poverty income ceiling for premium tax credits. Those federal law changes are scheduled to expire on December 31, 2025, unless they are extended by Congress. This is one of many likely challenges coming in FY 26 where Massachusetts' long-standing commitment to affordable health coverage will once more be put to the test.

6. HWM assumes continued investment in MassHealth's doula program.

- As MassHealth's doula program is now codified in state law, the HWM budget assumes continued investment in this program. MassHealth launched its doula program in December 2023, offering doula services to MassHealth members for the first time. Doulas are non-medical, trained professionals who provide physical, emotional, and informational support before, during, and after labor. Continued investment in doula services could result in significant health savings by reducing the number of c-sections and other interventions, lowering the likelihood a baby will end up in the NICU, and improving long-term health outcomes for mothers by helping to detect and address postpartum mood disorders.

- Legislation to support MassHealth's doula coverage program and expand access to doula services is pending this session. This bill, An Act relative to insurance coverage for doula services (H.1312/S.789) would (1) help build trust between the doula community and MassHealth by creating a doula advisory committee to meet regularly with MassHealth, (2) amend the patient bill of rights to give patients the right to have their doulas present during labor and delivery, and (3) require commercial and private insurance to cover doula services

7. HWM mirrors House 1's increase in funding for the Children's Medical Security Plan, but does not eliminate harmful caps on services.

- HWM mirrors House 1's proposed increase in spending for The Children's Medical Security Plan (CMSP) by $7.6 million, a 22% increase over the FY 25 GAA. 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. As of January 1, 2025, thanks to language contained in the FY 25 GAA, MassHealth eliminated copays for all CMSP members and eliminated premiums for CMSP members under 300% of the poverty level.

- House 1 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 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 change that. An Act to ensure equitable health coverage for children (H.1403/S.855) would provide comprehensive coverage to tens of thousands children and young adults whose coverage is limited solely because of their immigration status.

Homeless Services

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 HWM
7004-0101	Emergency Assistance	$326.1 M	$325.3 M	$275.3 M
7004-0108	HomeBASE	$57.3 M	$57.3 M	$57.3 M
7004-0099	DHCD Administration	$14.8 M	$22.2 M	$15.6 M
7004-9316	Residential Assistance for Families in Transition (RAFT)	$197.4 M	$202.5 M	$207.5 M
7004-0100	Operation of Homeless Programs	$17.6 M	$27.7 M	$18.4 M
7004-0102	Homeless Individual Shelters	$110.8 M	$110.8 M	$115.8 M
7004-0104	Home and Healthy for Good Program	$8.9 M	$8.4 M	$8.4 M

1. **Emergency Assistance (7004-0101) would be funded at $275.3 million,** a significant decrease from the H1 proposal.

   It is important to note that the EA system has received supplemental funding throughout the fiscal year, with total FY25 spending projected to be approximately $758 million. 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. Over the past two years, the number of eligible families placed in and seeking EA shelter has increased sharply, and in August 2023 the Healey-Driscoll Administration declared a shelter capacity emergency. Since then the administration, acting under emergency authority, has implemented a number of restrictions on EA shelter, making it more difficult to access and limiting the length of stay for families in shelter. In December 2024 the administration announced a "dual track" family shelter system that would limit many EA-eligible families to 30-day stays at temporary respite centers, with no option of remaining on the waiting list for a traditional EA shelter placement. In March 2025, shelter stays for most families were further reduced to a 6-month limit. Advocates continue to fight to preserve the EA shelter system for children and families.

- House Ways and Means would restore the obligation that the Executive Office provide the Legislature with 90 days' advance notice before imposing any new eligibility or benefits restrictions. HWM also requires a report justifying any such changes. 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.
- House Ways and Means would require that the Executive Office submit extensive quarterly reports to the Legislature, which were removed in the H1 proposal. These requirements were included in the FY25 budget, and advocates will work to ensure they continue to be included.

- House Ways and Means proposes language that would significantly curtail presumptive placements, instead giving the Executive Office discretion to grant case specific waivers.
- House Ways and Means would require that the Executive Office work with the Executive Office of Health and Human Services, the Interagency Council on Housing and Homelessness, and service providers "on strategies and best practices for the prevention of family homelessness".
- House Ways and Means would not remove the “dual track” shelter system, 30-day and 6-month time limits, or the cap on the number of families in shelter. Advocates will continue to fight for these harmful policies to be rolled back.
- House Ways and Means would remove language proposed in H1 that would direct the Executive Office to conduct a study of EA shelter provider rates and establish a rate setting process.

2. **HomeBASE (7004-0108) would be funded at $57.3 million,** matching the Governor’s H1 proposal. Due to rates of inflation, this level funding represents an effective cut to the program. HomeBASE was created in FY12 to provide short-term rental assistance, instead of shelter, to families experiencing homelessness.

- House Ways and Means would retain the HomeBASE benefit limit of $30,000 over a 24-month period, with the possibility of an additional $15,000 for an additional year. (In a December 2024 statement, the administration indicated their intent to increase individual HomeBASE awards to $50,000 over a 24-month period.)
- House Ways and Means would limit to $2.5 million funds for administering agencies to provide awards greater than $30,000 over the 24-month period for families the agency believes need additional funds to resolve a housing crisis.
- House Ways and Means would include the requirement that the Executive Office provide 90 days’ notice before promulgating or amending regulations or policies that would reduce benefits for families. Advocates will continue to ensure this important language is passed.
- House Ways and Means would restore language requiring extensive regular reporting to the legislature about HomeBASE, including the number and demographics of families served and how many families return to EA shelter.

3. **Executive Office Administrative line item (7004-0099) would be funded at $15.6 million**, a decrease from the H1 proposal.

- House Ways and Means would restore the right for HomeBASE recipients to retain their homelessness priority for state subsidized housing, and require the Executive Office promulgate regulations by September 2025. This language has been included in budgets for the past several years, including the enacted FY23 budget. Advocates will work to ensure this language continues to be included and that regulations are timely promulgated.

- House Ways and Means would retain language requiring the Executive Office to maintain in-person intake locations in the 10 offices that were open as of January 2025.

- House Ways and Means would restore language requiring the Executive Office to report to the legislature regarding wait times families are experiencing for direct communication with a staff member.

4. **Residential Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at $207.5 million**, a slight increase over the Governor's H1 proposal. Additional funds were allocated during FY25 through supplemental budgets.

    - House Ways and Means would retain the award cap at $7,000 over a 12-month period.

    - House Ways and Means would restore language that allows for at least $3 million for recipients who fall under an expanded definition of "family" including unaccompanied youth, elders, persons with disabilities, and other households. Advocates will push for expanded benefits for all household compositions.

    - House Ways and Means would not prohibit the Executive Office from requiring a Notice to Quit or utility shut off notice for households seeking assistance from RAFT. This poses a significant barrier for many in need of assistance, and increases the risk of eviction. Advocates will continue to push for a change to this policy to make RAFT available further upstream.

5. **Homelessness operations account (7004-0100) would be funded at $18.4 million**, a decrease from the Governor's H1 proposal.

6. **Shelters and services for homeless individuals (7004-0102) would be funded at $115.8 million,** an increase over the Governor's H1 proposal.

7. **Home and Healthy for Good program (7004-0104) would be funded at $8.4 million**, matching the Governor's H1 proposal. This program provides housing for chronically homeless individuals

Housing

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 HWM
7004-9005	Public Housing Operating Subsidies	$113,000,000	$115,500,000	$115,500,000
7004-9007	Public Housing Reform	$1,250,000	$2,097,622	$1,312,500
7004-9024	Massachusetts Rental Voucher Program	$219,238,574	$253,311,840	$258,111,840
7004-9030	Alternative Housing Voucher Program	$16,355,696	$19,461,214	$19,461,214
7004-3045	Tenancy Preservation Program	$2,042,755	0	0
0321-1800	Access to Counsel (**new**)	$2,500,000	$2,500,000	$3,000,000

1. **Public Housing Operating Subsidies (item 7004-9005),** which provides operating funds for state public housing, was **funded by HW&M at $115 million**, the same amount funded by the Governor in H.1. This was a **slight increase of $2.5 million** over the FY25 budget. To keep pace with costs and inflation and the need to maintain public housing, public housing residents, public housing authorities, and supporters have been requesting $153 million in FY26. Too often residents are living with mold, rats, bedbugs, broken elevators, sewage problems, and more.

   The operating subsidy also continues to include language that requires the administration to make efforts to rehabilitate housing authority family units in need of repairs requiring $10,000 or less, although more funds are needed. With thousands of public housing units off line and waiting lists for public housing growing, it is critical for EOHLC to bring vacant units back-online to provide more permanent housing resources for very low-income people on the waiting list

2. **Public Housing Reform (item 7004-9007)** was funded by HW&M at $1.3 million, a slight increase of $62,500 over the FY25 budget and a decrease of $785,000 from the Governor's FY26 H.1 budget. The line item provides funds to implement **chapter 235 of the Acts of 2014** which includes technical assistance training for resident commissioners as well as funding the implementation of CHAMP (Common Housing Application for Massachusetts Programs.

3. **Massachusetts Rental Voucher Program (MRVP) (item 7004-9024**) which provides long-term rental subsidies to approximately 10,000 low-income households for use in the private housing market would **be increased from $219 million in FY25 to $258 million**,

a $5 million increase from the Governor's budget proposal. EOHLC says that this increase will allow for the creation of an additional 130 project based vouchers.

- Language proposed in the HWM budget proposal is essentially identical to the final line item language passed in the FY25 Budget (minus an earmark).

- Though not listed in the line item it is important to note that in response to a difficult state fiscal situation, EOHLC is pausing the issuance of mobile MRVP vouchers via CHAMP. According to EOHLC, they are taking this action to stay within the proposed appropriation while maintaining their commitment to current voucher holders and retaining their ability to support project-based vouchers for new housing development.

- HWM language continues the policy that has allowed EOHLC to shift MRVP to a "payment standard model" similar to Section 8 giving more choice and flexibility to households. For details on the system see the MRVP Admin Plan at https://www.mass.gov/doc/mrvpadministrative-plan-2017/downloads

- HWM also restores the reporting requirements that were present in the FY25 budget, but that were stripped from the Governor's proposal

- HWM restores language regarding targeting of vouchers to mirror the FY25 language of "not less than 75%", rejecting language included in H1 that would have said "up to 75%," a change that we support.

- HWM continues to give EOHLC discretion to set payment standards using the small area fair market rent (SAFMR**).** We welcome the inclusion of SAFMRs as they allow a wider range of choices for voucher holders. EOHLC has thankfully used this discretion to set payment standards at 110% of SAFMR, mirroring many Section 8 payment standards This will allow more people to make use of their vouchers, especially in higher rental markets.

4. **Alternative Housing Voucher Program (AHVP) (item 7004-9030)** provides rental vouchers to non-elderly persons with disabilities. HW&M would **provide $19 million** in funding, an increase **in funding** from the previous year in the amount of $3 million.

5. **Tenancy Preservation Program (TPP) (item 7004-3045) was not included in HWM budget or the Governor's H.1.** According to EOHLC, TPP will now be funded by MassHousing, which is the agency that runs the program. TPP is a homeless prevention program that 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 and monitor case plans to maintain the tenancy and keep tenants in permanent housing to prevent tenants from becoming unhoused.

6. **Access to Counsel (item 0321-1800) was funded at $3 million, a $500,000 increase over the Governor's H.1 budget.** HW&M removes the language that the program is a

pilot, as did the Governor. Under this line item, 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 eviction proceedings.

7. Outside Sections

- **Brokers Fees**

Outside Section 23 Provides that a broker "may exclusively contract" with a (i) prospective tenant or (ii) landlord or landlord's agent. Also provides that a prospective tenant or tenant shall not be charged a broker's fee, unless the tenant or prospective tenant initiates contact with a broker, including by responding to an advertisement or listing; and receives and agrees in writing to the conditions of a brokerage fee disclosure. This is different language from that in the Governor's budget, which provides that a broker "may solely contract" with a prospective tenant or "may solely contract" with a landlord or landlord's agent. And also provides that "Any fee shall only be paid by the party, lessor or tenant who originally engaged and entered into a contract with the licensed broker or salesperson." This language is of concern because of the reality of how tenants find housing in today’s market. The language creates a loophole in which a tenant can use a website like craigslist or apartments.com where a broker is managing the listing, and therefore by contacting the broker, opens a tenant up to unknowingly engaging a broker, thus having to pay the broker’s fee even though it is the landlord who has engaged the broker to manage the listing.

Legal Services

Account	Description	FY 25 General Appropriation	FY 26 Governor's Budget	FY 26 HWM
0321-1600	MLAC	51.00 M	51.00 M	51.00M

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 $51 million, the same amount as the FY 25 appropriation and the same amount as the Governor's budget for this fiscal year. MLAC is requesting an appropriation of $54 million in order to help meet the growing statewide demand for civil legal services.