

MASSACHUSETTS COALITION FOR THE HOMELESS

FY'11 Budget Overview, including Conference Committee's Budget Recommendations

Item	Final FY'10 Budget (Reflecting midyear 9c cuts & any supplemental appropriations)	Final House FY'11 Budget Recommendations	Final Senate FY'11 Budget Recommendations	Conference Committee FY'11 Budget Recommendations
Emergency Aid to Elderly, Disabled and Children (EAEDC) Line Item 4408-1000	<p style="text-align: center;">\$83.4 million</p> <ul style="list-style-type: none"> ➤ The Governor made a small 9c cut in the appropriation in FY'10 to reflect revised caseload numbers. ➤ The line item contains protective language requiring DTA to give the Legislature 60 days notice of any proposed eligibility or benefit changes. This language was vetoed by the Governor, but restored by the Legislature. 	<p style="text-align: center;">\$84.6 million</p> <ul style="list-style-type: none"> ➤ While the House budget increases the appropriation for this line item by \$1.4 million over the FY'10 appropriation, \$84.6 million is well below the amount the Administration has projected it needed to cover the program's costs given the increasing caseload. An amendment filed by Chairwoman Khan to increase funding to \$88.8 million for FY'11 was not included in the final budget. ➤ Legislative oversight language included in the House Ways and Means line item requiring DTA to give the Legislature 60 days notice before making eligibility or benefit changes was expanded to 90 days with the passage of an amendment from Chairwoman Wolf. The amendment also prohibits DTA from giving notice before December 5, 2010. This will allow the Legislature time to take action, if needed, after returning to formal sessions on January 5, 2011. 	<p style="text-align: center;">\$88.8 million</p> <ul style="list-style-type: none"> ➤ The Senate budget funds the program at the Governor's recommended funding level, providing an additional \$4.1 million than the House final budget to address anticipated caseload increases. ➤ The line item includes language requiring 60 days advanced notice before implementing any eligibility or benefit changes in the line item, matching FY'10 language, but this is less than the 90-day language included in the final House budget. An amendment by Chairwoman Candaras to extend the advanced notice period to 90 days was not included in the final Senate budget. 	<p style="text-align: center;">\$88.24 million</p> <p style="text-align: center;">Would be reduced to \$84.66 million if anticipated FMAP funds* not appropriated</p> <p>(*FMAP funds, or Federal Medicaid Assistance Percentage funds, are Medicaid funds given to the states. Funding was increased last year as part of the stimulus package, but may be reduced this year. The federal House of Representatives would continue increased FMAP funding, but the measure has not passed the Senate yet. Up to \$687 million is at stake for Massachusetts.)</p> <ul style="list-style-type: none"> ➤ The Conference Committee included language requiring 90 days advanced notice before the Department of Transitional Assistance can make changes to EAEDC benefits. The language also prohibits changes from being implemented before January 17, 2011, and requires DTA to detail the steps taken to avoid benefits cuts, the anticipated impact of cuts, and expected savings. ➤ See TAFDC section below on Outside Sections related to DTA benefit-related fraud.
Transitional Aid to Families with Dependent Children (TAFDC) Line Item 4403-2000	<p style="text-align: center;">\$316.1 million</p> <ul style="list-style-type: none"> ➤ The initial FY'10 appropriation for this line item was \$308.0 million. The Governor increased funding for this line item to address a deficit in the account due to increasing caseloads and to avoid eliminating /reducing benefits to nearly 9,000 TAFDC families headed by a parent with a disability who receives SSI benefits. ➤ The line item contains protective 	<p style="text-align: center;">\$319.1 million</p> <ul style="list-style-type: none"> ➤ The House budget funds TAFDC at the same amount as the Governor's budget. It increases funding for this line item to reflect the projected increase in the number of households in need of assistance in FY'11. ➤ Legislative oversight language included in the House Ways and Means line item requiring DTA to give the Legislature 60 days notice before making eligibility or 	<p style="text-align: center;">\$316.2 million</p> <ul style="list-style-type: none"> ➤ The Senate budget level funds the line item at the FY'10 appropriation level, which is \$3 million less than the amount included in the Governor's and the House's version of the budget. Increased funding is needed to address anticipated caseload increases. ➤ The Senate included language requiring 60 days advanced notice before implementing any eligibility or benefit changes in the line item, matching FY'10 language, but this is less than the 90-day language included in the final House budget. An amendment 	<p style="text-align: center;">\$316.17 million</p> <p style="text-align: center;">Would be reduced to \$315.17 million if anticipated FMAP funds not appropriated</p> <ul style="list-style-type: none"> ➤ The Conference Committee included language requiring 90 days advanced notice before the Department of Transitional Assistance can make changes to TAFDC benefits. The language also prohibits changes from being implemented before January 17,

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Transitional Aid to Families with Dependent Children (TAFDC) (Continued)	language requiring DTA to give the Legislature 60 days notice of any proposed eligibility or benefit changes. This language was vetoed by the Governor but restored by the Legislature.	benefit changes was expanded to 90 days with the passage of an amendment from Chairwoman Wolf that The amendment also prohibits DTA from giving notice before December 5, 2010. This will allow the Legislature time to take action, if needed, after returning to formal sessions on January 5, 2011.	by Chairwoman Candaras to extend the advanced notice period to 90 days was not included in the final Senate budget.	2011, and requires DTA to detail the steps taken to avoid benefits cuts, the anticipated impact of cuts, and expected savings. ➤ Outside Sections 11 and 139 restrict the use of electronic benefit transfer cards to buy alcohol or tobacco. ➤ Outside Sections 11 and 140 increase penalties for fraud related to DTA benefits. ➤ Outside Section 182 codifies current rules and practices related to immigrant eligibility and fraud.
Emergency Assistance Family Shelter and Services (EA) Line Item 7004-0101	\$151.7 million ➤ The initial FY'10 appropriation for this line item was \$91.6 million (significantly under FY'09 expenditures of \$113 million). ➤ The Legislature and the Governor increased the appropriation for this line item twice midyear to cover the dramatically increasing caseload. (The caseload increased despite the Legislature reducing the income eligibility in FY'10 from 130% to 115% of the federal poverty guidelines). ➤ The final FY'10 budget line item contains protective language related to providing temporary shelter placements pending verifications for eligible families, providing a six month grace period for families who exceed the income limits while in shelter, tracking and reporting requirements, and requiring DHCD to provide 60 days notice to the Legislature of proposed eligibility or benefit changes.	\$112.9 million (+ separate \$4 million account for subsidies, see below) ➤ While the House's appropriation of \$112.9 million is an increase over the initial FY'10 appropriation of \$91.6 million, it is well below the actual expenditures for FY'10 (now expected to be \$151.7 million). An amendment filed by Chairwoman Khan to increase funding to \$133.5 million for FY'11 was not included in the final budget. Such underfunding of the program could lead to harsh eligibility changes for family emergency shelter. ➤ The House did, however, create a new \$4 million housing stabilization line item to provide housing subsidies to families in shelter to help them move into transitional or permanent housing. (See line item 7004-0105 below.) ➤ The House line item incorporates language requested by the Coalition to allow funds from the account to be expended for "transitional housing that may include temporary rental assistance and stabilization services to bridge families to permanent housing at a lesser cost than shelter." ➤ It also includes new language that directs	\$116.9 million ➤ While the Senate budget increases the appropriation over the initial FY'10 level of \$91.6 million, this amount is well below the actual expenditures for FY'10 (now expected to be \$151.7 million). Such underfunding of the program could lead to harsh eligibility changes for family emergency shelter. ➤ While the Senate appropriation is higher than the final House budget, the actual difference between these two budget appropriations is much less than it initially appears, given the additional money appropriated in the House budget for housing stabilization subsidies in line item 7004-0105. ➤ Like the House, the Senate budget includes money to provide housing stabilization subsidies to families in shelter. However, unlike the House, the Senate did not propose the creation of a new line item, but rather included an earmark of not less than \$3.5 million within the EA line item. The Senate language is more explicit in the use of the funds: aiding families in finding temporary and permanent housing; gradually reducing reliance on motels as EA placements; and, based on an approved amendment filed by Chairwoman Tucker, to help to "more rapidly move families into permanent sustainable housing."	\$116.91 million Would be reduced to \$115.36 million if anticipated FMAP funds not appropriated ➤ <u>Advanced Notice Language:</u> The Conference Committee adopted the House language regarding 90 days advanced notice for the EA account. ➤ <u>Line Item Language vs. Outside Section Language:</u> The Conference Committee adopted the House approach of retaining key EA language within the line item. Now such provisions are conditions upon the appropriation and less vulnerable to a possible gubernatorial veto. ➤ <u>Families Living in Motels:</u> The Conference Committee adopted Senate language that would require DHCD to use its " best efforts " to ensure that families placed by the program have " access to refrigeration and basic cooking facilities. " Additional language requires DHCD to ensure that children under the age of 3 have cribs while staying in motels, and to notify local school districts within five days when placing families in motels. The committee <i>did not</i>

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Emergency Assistance Family Shelter and Services (EA) (Continued)		<ul style="list-style-type: none"> ➤ DHCD to base eligibility on 115% of the 2009 federal poverty guidelines or a later issued, higher standard. ➤ The House budget maintains all of the protective language contained in the line item from previous budget years, including the 6-month grace period for families who exceed the shelter income limit after entering shelter and language providing for the placement of otherwise eligible families in shelter for up to 30 days pending verification, if needed. ➤ The House budget expands the tracking and reporting language to require that DHCD provide quarterly reports on the number of families leaving shelter with the aid of short-term or transitional housing assistance, including the current housing stability of families leaving shelter with this assistance within the last 18 months. The House budget also included legislative oversight language requiring the Administration to notify the Legislature 60 days in advance of proposed eligibility changes. The full House approved an amendment from Chairwoman Wolf that would extend the advanced notice period to 90 days, while also prohibiting DHCD from giving notice before December 5, 2010. This will allow the Legislature time to take action, if needed, after returning to formal sessions on January 5, 2011. (A similar amendment also was filed by Representative O'Day.) ➤ An amendment filed by Chairman Steven Walsh to reinsert an earmark into the EA line item for the Coalition's First Stop Initiative, our health center and public school-based homelessness prevention program, was not included in the final budget. ➤ While the final House budget did not include most of the language sought by Representative Welch that would restrict the 	<ul style="list-style-type: none"> ➤ Like the House, the Senate budget includes all of the protective language contained in the line item from previous budget years, including the 6-month grace period for families who exceed the shelter income limit after entering shelter, and language providing for the placement of otherwise eligible families in shelter for up to 30 days pending verification, if needed. Some of these protections, however, were taken out of the line item and put in Outside Sections 13 and 14 by the Senate Ways and Means Committee to codify many of the EA eligibility rules contained in previous years' line items. ➤ The Senate, like the House, includes line item language requested by the Coalition to allow funds from the account to be expended for "transitional housing that may include temporary rental assistance and stabilization services to bridge families to permanent housing at a lesser cost than shelter." ➤ Like the House, the Senate budget expands the tracking and reporting language. Senate language requires DHCD to provide data in the quarterly reports on the number of families leaving shelter with the aid of short-term or transitional housing assistance. ➤ The Senate budget includes new language requiring DHCD to use its "best efforts" to ensure that families placed by the program have "access to refrigeration and basic cooking facilities." ➤ Final Senate language requires DHCD to give the Legislature 60 days notice (up from the 45 days that appeared in the Senate Ways and Means budget) before making eligibility or benefit changes, with the passage of an amendment from Chairwoman Tucker. This notice cannot be given before December 5, 2010. This amendment also directs DHCD to base eligibility on 115% of the 2009 federal poverty guidelines or a later issued, higher standard, reflecting language in the House budget. ➤ The final Senate budget includes language from a redrafted version of an amendment from Chairman Buoniconti that requires DHCD to submit 	<p>adopt the Senate language that would require DHCD to assess families and connect families with housing search services within 10 business days of motel placements.</p> <ul style="list-style-type: none"> ➤ Outside Section 180 requires DHCD to make a report to the Legislature within 60 days of the budget taking effect detailing recommended regulation changes that could be made to end use of motels as EA placements within one year and the costs associated with using motels, including transportation costs by local school districts. ➤ Expanded tracking and reporting language was included. ➤ <u>Housing Subsidy Separate Account vs. Earmark</u>: The Conference Committee included the housing subsidy language within the line item, as the Senate had done. The language earmarks \$3.5 million to "directly reduce the usage of shelter, including hotels and motel" and transition families more rapidly into "temporary or permanent sustainable housing". If the enhanced FMAP funds are received, the Legislature would earmark an additional \$500,000 for these uses.

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Emergency Assistance Family Shelter and Services (EA) (Continued)		use of motels as shelter placements, it did include language that would require DHCD to notify school districts within seven days if children are placed in motels within that district, as well as language requiring DHCD to provide cribs to families with young children who are placed in motels.	recommended regulations within 60 days to end the practice of motel use within one year, provide housing search and needs assessments to families in motels within 10 days of placement, notify local boards of health before contracting with motels, and notify school departments within 5 days of placing families with school-aged children in local motels; requires motels to provide cribs to families with young children who are placed in motels, and imposes a fine of up to \$10,000 on motels that violate the crib requirement; and requires the Department of Children and Families to inspect cribs and motels rooms for safety.	
Housing Stabilization Initiative Line Item 7004-0105	\$0	\$4.0 million ➤ The House budget creates a new "Housing Stabilization Initiative" to fund housing subsidies to "transition families served by the emergency assistance family shelter program out of shelters and into temporary or permanent housing". The amount of the subsidies will be determined by DHCD. The line item language requires the department to develop a strategic plan by August 16, 2010 detailing the expenditure of these funds and to submit quarterly reports.	\$0 (\$3.5 million earmarked within EA account) ➤ Like the House, the Senate budget includes money to provide housing stabilization subsidies to families in shelter. However, unlike the House, the Senate did not propose the creation of a new line item, but rather included a \$3.5 million earmark within the EA line item. The Senate language is more explicit in the use of the funds: aiding families in finding temporary and permanent housing; gradually reducing reliance on motels as EA placements; and, based on an approved amendment filed by Chairwoman Tucker, to help to "more rapidly move families into permanent sustainable housing."	\$0 (\$3.5 million earmarked within EA account, with an additional \$500,000 earmarked if FMAP funding received)
Housing Priority Status Language within DHCD Administrative Account Line Item 7004-0099	Not included.	➤ The final House budget included a modified version of an amendment filed by Chairman Rushing that would protect households that receive short-term subsidies from losing priority for permanent, state-funded housing subsidies.	➤ The final Senate budget included an amendment filed by Chairwoman Tucker that would protect households that receive short-term subsidies from losing priority for permanent, state-funded housing subsidies. The Senate language would explicitly apply to households who have state and federally funded short-term subsidies.	➤ The Conference Committee adopted the more specific Senate language regarding maintenance of priority status by households participating in short-term subsidy programs.
Individual Homelessness Assistance Line Item 7004-0102	\$36.2 million ➤ The Governor proposed significant midyear cuts to this line item but withdrew these cuts before they were implemented.	\$37.64 million ➤ The House increased funding for this account by \$1.4 million over the current year's budget. ➤ The increase reflects the movement of	\$37.3 million ➤ The Senate appropriation is slightly lower than the House amount, but is \$1.1 million more than the FY'10 appropriation. ➤ Like the Governor's and House's budget, the	\$37.29 million, with or without FMAP funding

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Individual Homelessness Assistance (Continued)	<ul style="list-style-type: none"> ➤ The line item contains language stating that no shelter will be paid less than an average per bed/per night rate of \$12.92. 	<p>monies for "hopeFound" emergency shelter into the account from line item 4590-0915. The slightly higher amount over the Governor's budget appropriation is based on funding hopeFound at the initial FY10 appropriation (pre 9c cuts).</p> <ul style="list-style-type: none"> ➤ Similar to the Governor's FY'11 budget, the House's final budget line item language also directs DHCD to work with the Interagency Council on Housing and Homelessness and (at least) three programs funded in FY'10 under the line item to develop recommendations to standardize shelter contract rates across the state and to increase programs that provide transitional housing and housing first models utilizing "evidence-based models with high levels of success in providing long-term savings to state spending on homeless and at-risk populations". Recommendations must be submitted to the Secretary of Administration and Finance no later than September 30, 2010. 	<p>Senate budget level funds this line item with the increased funding over the FY'10 appropriation reflecting the movement of monies for hopeFound into the account from line item 4590-0915. It would fund hopeFound at the post 9c cut level.</p> <ul style="list-style-type: none"> ➤ The Senate budget includes line item language stating that no shelter will be paid less than an average per bed/per night rate of \$12.92. (This language was included in the House Ways and Means version of the budget, but not the final House budget.) 	
No Place Like Home Homelessness Prevention Program Within Department of Transitional Assistance Administrative Account Line Item 4400-1000	<p>Not included.</p>	<p>Not included.</p>	<ul style="list-style-type: none"> ➤ The final Senate budget includes an amendment by Chairwoman Jehlen that would require DTA to submit a report to the Legislature by December 1, 2010 regarding program design and cost estimates for creating a homelessness prevention program to assess DTA program participants for risk of homelessness, subject to appropriation in FY'12. This amendment is based on the Coalition's No Place Like Home bill, also known as "An Act to Prevent Homelessness Among Recipients of Transitional Assistance" (Senate Bill 43/House Bill 169). 	<ul style="list-style-type: none"> ➤ Unfortunately, the Conference Committee did not adopt the Senate language for the No Place Like Home homelessness prevention program.
Public Housing Operating Subsidies Line Item 7004-9005	<p>\$62.5 million</p>	<p>\$62.5 million</p>	<p>\$64.5 million</p> <ul style="list-style-type: none"> ➤ The Senate budget increases funding for public housing authority operating subsidies by \$2 million over both the Governor's and the House's budget. 	<p>\$64.5 million</p> <p>Would be reduced to \$62.5 million if anticipated FMAP funds not appropriated</p>

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Public Housing Operating Subsidies (Continued)			<ul style="list-style-type: none"> ➤ The additional funds are earmarked to be used to repair and bring back online family units that have been vacant for more than sixty days. 	<ul style="list-style-type: none"> ➤ \$2 million earmarked to be used to repair and bring back online family units that have been vacant for more than sixty days. ➤ Outside Section 186 codifies elements of DHCD's regulations governing admissions to state public housing, including a requirement that applicants provide the names and current addresses of all landlords over the past 5 years, with no express exception if this information is unknown. This will increase barriers to accessing public housing.
Massachusetts Rental Voucher Program (MRVP) Line Item 7004-9024	\$35.4 million <ul style="list-style-type: none"> ➤ The FY'10 budget appropriated \$29.9 million for the MRVP program. The Massachusetts Housing Finance Authority (MassHousing) provided approximately \$2.5 million to the MRVP program in FY'10. This was not enough to cover the current costs of the program. To avoid reducing or eliminating housing subsidies for existing subsidy holders, the Governor transferred \$2.9 million from the RAFT program into this account mid-year. 	\$35.4 million <ul style="list-style-type: none"> ➤ The House budget level funds the MRVP program at \$35.4 million in the FY'11 line item. ➤ Unlike the Governor's budget, House appropriates all of this money directly through the MRVP line item. 	\$37.9 million <ul style="list-style-type: none"> ➤ The Senate budget increases funding for the Massachusetts Rental Voucher Program by \$2.5 million over FY'10. This includes \$35.2 million in direct line item funding (\$200,000 less than the House amount) and \$2.7 million from MassHousing, which has contributed funds to support MRVP for the past few fiscal years. (See Outside Section 116 of the Senate Ways and Means Budget.) 	\$38.1 million (\$35.4 million from General Fund + \$2.7 million from MassHousing) General Fund contribution would be reduced to \$33.2 million if anticipated FMAP funds not appropriated, lowering total funding to \$35.9 million <ul style="list-style-type: none"> ➤ The language regarding the \$2.7 million from MassHousing is contained in Outside Section 131.
Residential Assistance to Families in Transition (RAFT) Line Item 7004-9316	\$160,000 <ul style="list-style-type: none"> ➤ The Legislature initially funded RAFT at \$5 million. The Governor, through his veto power, reduced the appropriation to \$3.06 million. The Legislature did not override the veto but appropriated an additional \$1 million for the program through a supplemental budget which brought the appropriation back up to \$4.06 million. The Governor, however, subsequently transferred out most of the funding in this line item into the MRVP program to prevent cuts to existing 	\$260,000 <ul style="list-style-type: none"> ➤ The House budget restores some funding for the RAFT program. An amendment filed by Representative Patrick to increase funding to \$2.5 million for FY'11 was not included in the final House budget. ➤ This partial restoration can help fill a few of the gaps left behind. Although federal stimulus money is available through the Homelessness Prevention and Rapid Re-housing Program (HPRP), there are many households who do not qualify for help, 	\$1.0 million <ul style="list-style-type: none"> ➤ The Senate budget increases funding for this prevention program to \$1 million for FY'11, up from \$160,000 in FY'10. An amendment by Chairman Eldridge to increase funding to \$2.5 million was not included in the final Senate budget. ➤ Even at this increased level, this appropriation is dramatically lower than the proposed funding at the start of FY'10, when the Legislature initially funded RAFT at \$5 million (prior to midyear cuts). ➤ The Senate budget retains the FY'10 cap of 	\$1.0 million Would be reduced to \$260,000 if anticipated FMAP funds not appropriated <ul style="list-style-type: none"> ➤ The Conference Committee language allows families to access up to \$2,500 in RAFT benefits.

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Residential Assistance to Families in Transition (RAFT) (Continued)	subsidy holders. ➤ Line item language changes made by the Legislature capped the amount a household may receive through RAFT at \$2,000 (down from \$3,000).	given the strict rules governing the HPRP program. ➤ Like the Governor, the House returns the cap on the amount a household may receive through RAFT to \$3,000.	\$2,000 cap on the total amount of financial assistance that households may receive. ➤ While not a substitute for RAFT, some families that otherwise could have been served by RAFT in FY'11, may be able to receive assistance through HPRP.	
Home and Healthy for Good Pilot Program on Chronic Homelessness Line Item 7004-0104	\$1.2 million	\$1.2 million	\$1.2 million	\$1.2 million, with or without FMAP funding
Housing Consumer Education Centers/ Housing Services Contracts Line Item 7004-3036	\$1. million ➤ The initial FY'10 appropriation for this line item was \$1.6 million but the Governor reduced the funding in this line item through his midyear 9c cuts.	\$1.5 million ➤ Like the Governor's budget, House budget level funds the program at the reduced FY'10 appropriation level.	\$1.5 million ➤ Like the Governor's and the House's budget, the Senate budget level funds the program at the reduced FY'10 appropriation level.	\$1.5 million, with or without FMAP funding
Alternative Housing Voucher Program Line Item 7004-9030	\$3.45 million	\$3.45 million	\$3.45 million	\$3.45 million, with or without FMAP funding