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The Governor's FY 2012 Budget Proposal: Preliminary Analysis of Selected Housing, Cash Assistance, Elder, Health, Child Welfare, Child Care and Related Items

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On January 26, 2011, Governor Patrick released his budget proposal for fiscal year 2012 (FY 12), which is referred to as House 1. House 1 proposes various reforms and deep cuts in a number of the programs that provide basic benefits and services to very low income families and individuals in Massachusetts. And it would eliminate vital safety net protections for children and their families experiencing homelessness.

Homeless Services

1. **Emergency Assistance (7004-0101) for homeless families with children – Administration proposal will leave many homeless families with nowhere to go.**

   - The Emergency Assistance (EA) program currently provides emergency shelter to families who are already homeless and who the Department of Children and Families has verified have no other place to stay. It also provides these families with help looking for permanent housing, short-term housing subsidies and moving expenses. But, currently, homeless families are allowed to stay in shelter while they look for housing if they have no other safe place to stay with their children.

   - **House 1 proposes to deny access to emergency shelter to most homeless families.** Only families who are at risk of domestic violence in their current housing, are homeless as a result of natural disaster or fire, or are headed by a parent under age 21 would be allowed into shelter. Young parents would be directed to newly-created young parent programs that would not have to be licensed by the Executive Office of Human Services.

   - All other families who are eligible for EA shelter under current rules but who are homeless due to loss of jobs, due to illness or disability, due to foreclosure, due to being kicked out by those with whom they have been doubled up, or because they earlier fled a domestic violence situation, and who are not headed by a young parent, **would be denied emergency shelter even though, by definition under EA rules, they have no safe place to stay.**

   - Instead of shelter, the Administration would offer some, but not all, of these homeless families a limited and declining short-term subsidy with which to look for housing. It would also provide some assistance with costs associated with moving into new housing. These benefits would be funded through a new item (7004-0108) entitled "Massachusetts Short Term Housing Transition Program," discussed below.

- These are the same types of benefits and services on which the Commonwealth has spent tens of millions of EA and federal stimulus dollars over the past two years. And yet thousands of Massachusetts families are still homeless and in need of emergency shelter. So the primary "reform" proposed in House 1 is not the provision of short-term housing related assistance – it is the proposal to deny shelter to children and their families who are or become homeless notwithstanding the short-term housing assistance program.

- These homeless children and their families would be denied access to shelter **even though (1) they have nowhere to stay while looking for housing, (2) it takes weeks, if not months, for families with more valuable subsidies (such as Section 8) to find housing, and (3) many of these families will never be able to find an apartment to rent with the limited subsidy that would be offered through this program.**

- House 1 proposes to fund EA at just under $97.8 million for FY 12, as compared to projected FY 11 spending of more than $159 million, including funds provided through multiple supplemental appropriations. House 1 would also authorize the Administration to transfer unlimited amounts of EA funding to the new item 7004-0108

- **House 1 omits language from item 7004-0101 requiring that families who appear to be eligible for shelter be placed while they collect verifications of eligibility and language requiring that families be placed within 20 miles of their home communities if possible**. It also omits language barring eligibility restrictions except in the case of a deficit in the account and requiring the Administration to give the Legislature advance notice before making any such eligibility changes. This language has been critical in prior years to giving the Legislature time to ensure that access to shelter and housing assistance for children and their families is not unduly restricted.

2. Proposed new "Massachusetts Short Term Housing Transition Program" (7004-0108) would be funded at $38.56 million.

- The proposed new account would provide short-term assistance to help families who are imminently at risk of homelessness, but not yet homeless. The assistance could be in the form of rent and utility arrears, a modest and declining rental subsidy for a limited time, and extraordinary medical expenses.

- Families who are already homeless would be eligible for these same benefits but, as discussed above, would be denied access to emergency shelter while looking for an apartment to rent. Total assistance per family would be capped at $8,000 for the first year, decline by 5% in any subsequent year, and could extend for no more than 36 months. Administration officials concede that these limitations will not allow families in higher cost areas of the state, including the 112 communities in the Boston metro area, to benefit from the rental subsidy aspect of the proposed program. The limitations of such short-term assistance have recently been identified by multiple organizations.[1]

- House 1 documents describe the $38.56 million for this account as having been "transferred" from the Emergency Assistance account, item 7004-0101. And the item funding emergency shelter, as discussed above, would provide that unlimited additional dollars could be transferred from the EA item to the new short-term assistance item.

- There is a great need for more rental assistance for families who are already homeless or at-risk of homelessness, as well as for more homelessness prevention strategies for those at risk of homelessness. But it is not necessary to deny shelter to those who are already homeless in order to provide these services, and doing so would put homeless children and their families in grave danger.

- **House 1 also proposes in both items 7004-0101 and 7004-0108 to bar families from receiving additional services for 2 full years after their initial assistance from either item ends – without regard to why they become homeless again or the level of risk their children are facing.**

3. **Shelters and services for homeless individuals (item 7004-0102) would be level funded at just under $37.3 million.** Individuals, in contrast to most families with children, would not be barred from accessing shelter. The **Home and Healthy for Good program (item 7004-0104)**, which provides housing for chronically homeless individuals, **would be level funded at $1.2 million.**

4. The DHCD homelessness administrative account (item 7004-0100) would be funded at just under $5.05 million, receiving an increase as compared to FY 11 of just over $47,000.

Housing

1. **Public Housing Operating Subsidies (item 7004-9055),** which help housing authorities meet the expenses of maintaining the state's public housing units, **would be level funded at $62.5 million.** Without additional funding, much-needed units in need of repair will continue to stay off-line.

2. **The Massachusetts Rental Voucher Program (item 7004-9024),** which provides modest long-term rental subsidies to low-income tenants in the private housing market, **would be funded at $35.9 million.** This represents a cut from total FY 11 appropriations of $37 million, which included funding required from MassHousing by the FY 11 general

[1] See, e.g., *Rapid Re-Housing of Motel-Sheltered Families: MBHP's Preliminary Assessment* (Metropolitan Boston Housing Partnership November 2010) available at http://www.mbhp.org/MBHP_HPRP_Report_11-10.pdf and *A Bridge to Where? Short-Term Housing Assistance for Homeless Families in Massachusetts* (Mass. Law Reform Institute (November 2010) available at http://www.mlri.org/publications/reports.

appropriations act and a $1.1 million supplemental appropriation, although the Administration may not be intending to spend the FY 11 supplemental funding on long-term vouchers. At this writing, we do not know if the Administration expects an FY 12 contribution to MRVP from MassHousing.

3. **The Alternative Rental Voucher Program (7004-9030) would be level funded at $3.45 million and the Department of Mental Health Rental Subsidy Program (7004-9033) would be level funded at $4 million.**

4. **The Rental Assistance for Families in Transition (RAFT) program (7004-9316) would be funded at the reduced FY 11 level of $260,000.** RAFT provides homelessness prevention services for some families. One rational for reducing RAFT appropriations in FY 11 was that federal stimulus dollars were available for homelessness prevention, but those federal funds are no longer available.

5. **The Tenancy Preservation Program (item 7004-3045),** which helps preserve tenancies of persons with disabilities, **would be level funded at $250,000.**

6. **Housing Services and Counseling (7004-3036) would be level funded at $1.49 million.**

7. **The DHCD Administrative account would receive a $44,000 increase.** Language inserted by the Legislature in FY 11 requiring DHCD to have regulations ensuring that homeless households with only temporary housing subsidies retain priority for permanent state housing resources is omitted.

Cash Assistance and Related Items Administered by DTA

1. **Cash assistance (including TAFDC, EAEDC, SSI state supplement)**

   - **Annual TAFDC clothing allowance would be eliminated.** For many years, the TAFDC program has provided an annual clothing allowance of $150 in September for each child receiving TAFDC. Language requiring payment of the clothing allowance was first included in the state budget in 1981, with the amount set at $150 beginning in 1987. The clothing allowance is critically important to children's dignity and success in school. According to the noted educational scholar Jonathan Kozol, "Children who can not afford to come to school dressed appropriately are teased and even ostracized by their classmates. … The humiliation and embarrassment felt by children who can not afford to come to school in minimally decent attire will seriously hinder their participation and ability to succeed … ." The Governor's proposal to eliminate the clothing allowance, reducing TAFDC benefits by about $12 million, would effectively be a 4.5% cut in TAFDC grants which have already lost nearly half their value to inflation since 1988.

   - **TAFDC (Transitional Aid to Families with Dependent Children, item 4403-2000) would be funded at $312.8 million, $2.4 million less than the FY 11 appropriation so far.** The Governor has filed a supplemental budget seeking an additional $8.9 million for this year. The amount proposed for FY 12 will not be enough to cover possible caseload increases and provide the clothing allowance.

- **The line item does not include language included in final budgets in previous years requiring the Governor to give advance notice to the Legislature before cutting benefits or making changes in eligibility.** It is common for Governors to omit this language and for the Legislature to restore it. The advance notice language prevented the Governor from eliminating the clothing allowance in September 2010. And in FY 10 it 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 Employment Services Program (ESP, item 4401-1000) would be eliminated.** This program, funded at $15 million in FY 11, was already reduced dramatically from previous years. Services that would be eliminated include short-term training provided to some TAFDC parents, the Young Parents Program (YPP), which helps TAFDC parents age 14-21 to get their GEDs, Learning Disability Assessments, GED testing services, the DTA Works program (paid internships in DTA offices), DTA vocational specialists, DTA benefits planners, and transportation assistance. The elimination of transportation assistance, currently limited to current and a few former recipients in education, training or job search and no more than $80 a month, would effectively be another grant cut for those recipients who are receiving this benefit.

- **EAEDC (Emergency Aid to Elders, Disabled and Children, item 4408-1000) would be level funded at $89 million, taking into account a $4.3 million supplemental budget signed into law this month.** The caseload has been going up during the recession. The proposed amount would only be enough if the caseload trends reverse and the caseload goes down. Like TAFDC, the Governor’s proposed budget does not include current and previous year’s language requiring advance notice before benefits are cut.

- **The state supplement for SSI (Supplemental Security Income, item 4405-2000) would be funded at $500,000 more than the FY 11 appropriation so far.** The Governor has asked for an additional $5.5 million for FY 11, so his FY 12 recommendation is actually less than the account may be funded at this year. **Section 5 of the proposed budget would authorize DTA to enter into an agreement with the Social Security Administration (SSA) to provide for state administration of the SSI state supplement.** Currently, the SSI state supplement is provided as an add-on to SSI benefits and is administered by SSA. The state is charged $10 per month per case. According to DTA, the proposed change would save the state $5.5 million in FY 12, and about $11 million annually once it is fully implemented. The $5.5 million in savings are taken into account in the SSI state supplement line item, which would therefore be enough for some caseload increase. The state is looking into what mechanism the state would use to administer the state supplement and how best to provide it to beneficiaries with representative payees.

- **The Supplemental Nutrition Program (item 4403-2007), which has provided a small state food SNAP supplement to thousands of low income working families**

who receive federal food SNAP benefits, would be funded at $900,000. This account was not funded in FY 11 because of provisions in the federal stimulus bill which will expire this year.

2. **Teen Living Programs (item 4403-2119) would be level funded at $6.6 million.**

3. **DTA administration**

- **The DTA worker account (item 4400-1100) would be increased by $3.1 million to $57.5 million, but the increase does not make up for the loss of one-time federal Recovery Act and other federal funds for SNAP administration. Given loss of these federal funds, total spending on DTA workers would be reduced.** The proposed amount would allow DTA to retain workers hired with the one-time federal funds, but an additional $4.5 million would be needed for DTA to fill positions that become vacant during the year. Since caseloads are already unmanageable and are expected to continue to rise, low income individuals and families would continue to experience unacceptable problems accessing statutorily mandated benefits. DTA says that it is looking at ways to simplify program rules, especially for TAFDC, to reduce the burden on clients and workers.

- **DTA central administration (item 4400-1000) would be increased by $1.5 million to $53.1 million.**

- **The account to increase SNAP participation would receive a small increase to $3.1 million.** Half of this account pays for a grant to Project Bread.

- **DTA domestic violence workers (item 4400-1025) would receive a very small increase to $753,426.**

Selected Health Issues in MassHealth, Commonwealth Care and the Health Safety Net

1. **Overall MassHealth spending for fiscal year is essentially level funded at $10.3 billion.**

- **The Governor's proposed FY 12 budget includes almost $800 million in cost control initiatives but preserves MassHealth eligibility and services for 1.3 million members.** The $10.3 billion in MassHealth spending in FY 2012 compares to $10.24 billion in FY 2011. However, MassHealth would need about $800 million more for a maintenance budget given the expected 4.8% growth in its current 1.3 million enrollment and other costs expected to go up in 2012. Instead of cuts to eligibility and benefits, the Governor primarily looks to a series of cost control initiatives from providers and managed care plans to control spending. MassHealth members would see an increase in copays and changes to some benefits but were spared deeper cuts. More detail will be needed to determine how the provider rate and managed care changes would affect MassHealth members.

2. **Authorization to continue restriction of dental services and to restrict other optional services (Sections 44 and 45).** In FY 11 MassHealth cut back adult dental services to just cleanings and emergency care. Section 45 continues the dental cutback into 2012. The FY 11 budget also authorized further cuts in adult optional benefits but this authority has not been used to date. Section 44 authorizes "restructuring" of benefits to the extent permitted by federal law. Legislation is needed for any benefit cuts because a statute enacted as part of the 2006 health reform law restored all optional benefits that had been cut since 2002 (G.L.c.118E, s.53). Budget summaries released with House 1 attribute $66 million in gross savings to benefit reductions and copayment increases but provide no further detail on benefit cuts. The Administration has identified stricter clinical criteria for access to Adult Day Health services as one benefit restructuring planned for 2012.

3. **Increase in copays from $3 to $5 (Section 44).** MassHealth currently charges $3 copayments for most prescription drugs and a $3 copayment for a hospital admission. Copayments for generic drugs were raised from $2 to $3 in FY 11. For FY 12, the Governor proposes raising copays again up to $5. Budget summary documents attribute $66 million in gross savings to benefit reductions and copayment increases.

4. **Legal immigrants still excluded from Commonwealth Care but lower cost Bridge program for legal immigrants continued (Section 33).** In FY 10 and FY 11 the state denied legal immigrants eligibility for Commonwealth Care unless they were eligible for federally reimbursed services. Section 33 continues that exclusion for 2012. A lawsuit is pending that challenges this exclusion on equal protection grounds. However, in FY 10 and FY 11, the state did create a lower cost program for the group of legal immigrants who had been enrolled in Commonwealth Care in August 2009 and called it the Bridge program. Bridge offers fewer benefits, higher cost sharing and has been provided by only one managed care organization, CeltiCare. It currently enrolls over 20,000 legal immigrants. House 1 continues coverage for this group in 2012 for $50 million from the Commonwealth Care Trust Fund. Over 15,000 legal immigrants remain shut out of both Commonwealth Care and Bridge.

5. **Increase in funding for Children's Behavioral Health Initiative (item 4000-0950).** The Children's Behavioral Health Initiative funds enhanced mental health services for seriously emotionally disturbed children under the terms of a court decision in a lawsuit called the Rosie D. case. The Governor proposes $214 million for FY 12 for these service, the amount the Administration expects to spend in FY 11.

6. **No funding for enrollment and outreach grants.** For many years the state has set aside $2-$3 million for grants to community based organizations for outreach and enrollment assistance. It is in part thanks to this program that Massachusetts has achieved the highest rate of insurance coverage of any state in the country. In the last few fiscal years $2.5 million has come from the reserves of the Health Insurance Connector Authority. House 1 appears not to contemplate continuation of the outreach and enrollment grants.

7. **Commonwealth Care level funded (item 1595-5819) and Section 44.**

   - This line item would authorize $759 million as an operating fund transfer for the Commonwealth Care Trust Fund which also receives income from the cigarette tax and other sources, and pays for Commonwealth Care, the Bridge program, $30 million for the Health Safety Net, and, new this year, $10 million for an incentive program for small businesses to buy insurance through the Connector. According to budget summary documents, the total amount authorized for Commonwealth Care from the Trust Fund would be $822 million. Commonwealth Care now covers over 160,000 adults with no other access to insurance and family income under 300% of the federal poverty level. In FY 11, Commonwealth Care was budgeted at $830 million but is projected to spend $822 million. The Connector will look to savings in its managed care contracting in FY 12 to create a sufficient cushion to allow for enrollment growth in 2012. Section 44 authorizes copayments for those under 100% of poverty equivalent to copayments in MassHealth; thus copayments for the lowest income Commonwealth Care enrollees would be able to increase up to $5.

8. **Health Safety Net level funded.** The Health Safety Net has been strained with the added costs of the legal immigrants excluded from Commonwealth Care as well as the adult dental services and hospital days no longer paid for by MassHealth. Funding has not been increased to pay for these higher costs. According to budget summary documents, this continues in 2012 with the General Fund contribution to the Health Safety Net limited to $30 million and assessments on hospitals and surcharge payers unchanged. The Health Safety Net will have $420 million for projected need of $420 to $570 million according to the Administration. Hospitals absorb any shortfall in the Health Safety Net adding to the financial strain of anticipated MassHealth rate cuts.

9. **Medical Security Program.** The Medical Security Program (MSP) provides health insurance for individuals collecting unemployment insurance and their families with income under 400% of poverty. It can either help with the costs of COBRA coverage after the loss of employment or provide direct coverage. Since its inception the direct coverage program has been self-funded and program benefits managed by Blue Cross Blue Shield. With high unemployment and federal extensions of the time that unemployed workers can collect unemployment insurance, enrollment in MSP has skyrocketed creating financial challenges. Funded through employer assessments, MSP is largely an off-budget program. The Governor’s budget documents describe a plan for the Connector Authority to assist in a competitive bidding process to contract out the Medical Security direct coverage program. The plan is expected to save $10 million to the MSP program and bring the costs and benefits of MSP more in line with Commonwealth Care. More details are needed to assess what this will mean for unemployed workers and their families.

10. **MassHealth cost control initiatives.** Budget documents describe almost $800 million in gross savings from various cost control initiatives. Because half of MassHealth spending is reimbursed by the federal Medicaid agency, net state savings are about $400 million. Besides the $66 million gross savings from benefits and copayment changes described earlier, there are $150 million in gross savings attributed to provider rate reductions, and $169 million attributed to managed care capitation cost controls. A further $13 million will come from unspecified Program Integrity changes. For several years the state has been looking to integrate care for disabled individuals who have both Medicare and Medicaid (dual eligible). In February 2011, the state will be asking for a federal planning

grant for an integrated care approach to this population. It attributes $50 million in cost savings in 2012 to this program. However, the bulk of the savings, $351 million gross will come from procurement and payment strategies. The Administration says it will immediately be initiating re-contracting from Managed Care Organizations and the Primary Care Clinician Plan, the two kinds of managed care now used in MassHealth. Most beneficiaries under age 65 are already required to participate in one of these two kinds of managed care. The Administration says 800,000 MassHealth enrollees will be affected excluding seniors and individuals who have both Medicare and MassHealth. Much more needs to be known to assess what this may mean for MassHealth members.

Child Welfare: Department of Children and Families, Office of the Child Advocate and Committee for Public Counsel Services

1. **The Governor proposes funding DCF at $737.9 million, a cut of $5.8 million from the current FY 11 appropriation** (including the October 2010 supplemental appropriation). This is an $8.2 million decrease from current spending levels. DCF estimates it would cost $19.5 million more to maintain current services than the funding the Governor proposes.

   - **The Governor would fund the account for Services for Children and Families (item 4800-0038) at $242.5 million, a cut of $4.9 million from the final FY 11 appropriation.** The Department plans to manage this cut by eliminating one quarterly clothing allowance for children in foster care for a savings of $3.7 million, and reducing $300,000 in spending for voluntary services. Current foster care rates would be maintained but not increased.

   - **The Governor proposes to cut the newly created Home Based Services account (item 4800-0040) by $1 million to $39.9 million.** This line item funds services needed to keep children safely in their homes or to return home safely. This cut is particularly serious because home based services funding already receives a disproportionately small share of the DCF services budget. Currently, although 88.6% of the children in DCF’s caseload are supposed to be receiving services to remain or return home safely, DCF spends only 8% of its services budget on services for those children.

   - **The Department plans to manage a portion of the proposed cuts in its services accounts through** further **reductions in voluntary services for families with children.** These services, which the department estimates have already been reduced by 80% compared to three years ago, are necessary to help families before their problems develop into crises necessitating far more costly and long lasting interventions. The department believes that under the proposed budget it would have to further reduce the total number of families receiving voluntary services by somewhere between 1,200 and 1,400 families in FY 12.

   - **The Group Care account (item 4800-0041) would be reduced by $9.2 million to $192.4 million.** The Department plans to save $3.2 million of this loss through reductions in voluntary residential placements, an additional $2 million by more aggressively moving young adults ages 22 and over out of its caseload (despite challenges in finding appropriate adult services for them), $300,000 more by eliminating one quarterly clothing allowance for these children and $1.2 million through a freeze on Chapter 766 rates.

- **In contrast to proposals for cuts in the services line items, the Governor proposes to increase funding for lead agencies (item 4800-0030) from its current $6 million to $10.3 million, an** increase **of $4.3 million or 7% over FY 11.** Lead agencies are regional nonprofits that contract for services but do not actually provide services themselves. In FY 10 the Commissioner transferred funds from two services accounts into the lead agency line item. In the past several years, the legislature has cut the Governor’s proposed increases in the lead agency line item.

- **DCF’s administrative account (item 4800-0015) would be cut by $897,000 from $64.6 to $63.7 million, the latest in a series of cuts which cumulatively threaten the agency’s ability to perform its core functions.** Since current spending levels exceed the FY 11 appropriation, the Governor’s proposed cut would reduce actual spending by over $1 million. It is highly likely this funding cut would result in additional reductions in staff which would continue a steep decline in administrative staff over the past 10 years. In FY 02, the Department had 750 management positions; it now has 470. For many years the department has been seriously challenged in performing its core accountability functions which are funded through this line item. Major problems include an accumulation of approximately 2700 backlogged administrative appeals which the agency has been unable to hear and decide within mandated time frames, and lack of data collection needed for quality improvement and public accountability purposes, including compliance with legislative and other reporting requirements.

- **The Governor’s proposal would strip current and longstanding reporting requirements from DCF’s administrative account which the legislature requires to fulfill its oversight responsibilities.** Among these are requirements that the Department report on the services it provides to keep children safely in their homes, to support kinship families and to maximize federal reimbursements available to support kinship guardianships. It also omits a requirement which the legislature included in its FY 11 budget that DCF develop a plan to clear up its very large administrative hearings backlog and make its hearing system more timely, independent and fair.

2. **The Governor proposes to increase funding for social workers (item 4800-1100) from $155.1 to $161 million, an increase of $5.9 million.** Due to increased costs resulting from collective bargaining agreements, even with this increase the Department anticipates a shortfall in this account which it plans to manage through attrition rather than layoffs.

3. **Services to victims of domestic violence (item 4800-1400) would be nearly level funded at $20.1 million,** a $35,000 increase over FY 11 funding. This account provides beds for shelter, visitation services and supports to victims of domestic violence, as well as the payroll of DCF domestic violence staff. These preventive services are not restricted

to DCF involved families, but are available to all individuals who are served by these provider programs.

4. **The Office of the Child Advocate (item 0411-1005) would receive level funding of $243,564.** The Office of the Child Advocate was created by Executive Order in March of 2008. The legislature expanded the Child Advocate's responsibilities in G.L. c. 18C, charging her with wide-ranging duties including monitoring, examining and making recommendations to the Governor regarding the provision of services to and the treatment of children in the care or custody of state agencies. The meager budget for this office, which the Legislature reduced from its original inadequate level of $300,000, severely challenges the Child Advocate – a former juvenile court judge – in carrying out the ambitious mission that the Governor established and Legislature expanded.

5. **The Governor proposes in Section 27 to replace the Committee for Public Counsel Services, currently in the judiciary branch, with a Department of Public Counsel Services in the Executive Branch.** He proposes to fund the Public Counsel (item 1500-0000) at $162.7 million. The current system in which the Committee assigns the bulk of its cases to private counsel would be replaced by one in which almost all cases were handled by in-house staff. This presumably would include the CPCS family law division which provides legally mandated representation to low income parents and children in care and protection cases and proceedings to terminate parental rights. Under the proposal, private counsel would handle only those cases in which the public counsel division was unable to handle representation due to a conflict of interest "or other extraordinary reason." The Boston Globe reported on January 24 that the state would hire 1,000 additional full time staff to replace the 3,000 private lawyers the state currently pays to provide representation, and that the Governor estimated saving of $45 million from this change. Questions remain as to whether the start up costs of a reorganization on this scale would offset any savings in the near future, and what the impact on staff attorney caseloads would be.

Child Care

1. **The Governor proposes to consolidate the three child care subsidy accounts into one (item 3000-4060), funded at $446.1 million.** This includes **TAFDC-related child care (currently 3000-4050), Income Eligible Child Care (currently 3000-4060) for low income families who are not current or recent TAFDC recipients,** and **Supportive Child Care (currently 3000-4060)** for families with an active case with the Department of Children and Families (DCF)**.** The Governor has previously proposed consolidation and the Legislature has rejected it.

   - **The combined funding is about $500,000 less than the final funding for these accounts in FY 11.** The income eligible waitlist has been frozen for most of this year; even families with urgent priorities cannot get child care. Supportive child care has never been funded at a level sufficient to provide care to families who, with child care, could avoid the need for DCF involvement in the first place. And, because of tight funding for TAFDC-related child care, DTA has been unwilling to adopt policies authorizing child care for TAFDC children whose parents are not receiving cash assistance for themselves, even where the child care could enable the family to leave TAFDC.

- Currently, child care for former TAFDC recipients who are working is paid for from the TAFDC child care account for the first two years after TAFDC ends, to prevent competition for slots between former TAFDC recipients and other families. The Governor would eliminate that protection. Language in the line item could be read to allow a shorter period of child care for former TAFDC recipients.

- The Governor's proposal also does not include longstanding provisions assuring child care for the children of teen parents who are not receiving TAFDC and assuring that TAFDC recipients, whose incomes are far below the federal poverty level, will not be charged fees for child care.

2. **Early Ed and Care central administration (3000-1000) would receive a small increase to $11.7 million. Child Care Resource and Referral Agencies (3000-2000) would be level funded at $5.9 million.**

3. **Head Start (3000-5000) would be level funded at $7.5 million.**

4. **Pre-kindergarten (3000-5075) would be level funded at $7.5 million.**

5. **Services for Infants and Parents (3000-7050) would be level funded at $14 million.** The Governor did not include language requiring grants to be distributed by August 31, to allow a full year of service.

6. **Mental health consultation services for child care providers (3000-6075) would be level funded at $750,000.**

7. **Funding to improve child care quality (3000-6000) would be level funded at $14 million.**

Elder Issues

1. **The Executive Office of Elder Affairs** funds a range of state-funded community-based health and personal care services for elders in the community. House 1 would fund most of these accounts at the FY 2011 level with some exceptions:

   - **The Prescription Advantage Program (item 9110-1455) for prescription drug assistance would be funded at $21.7 million.** This is $9.9 million less than in FY11 but reflects expanded federal Medicare drug coverage for costs in the "doughnut hole." Administration officials say they believe the proposed appropriation would be sufficient to support the current structure and do not intend to reduce program benefits.

   - **Home Care Purchased Services (item 9110-1633) would be funded at $96.8 million, $4.9 million less than the FY11 appropriation.** Services reimbursed by this account were waitlisted in prior fiscal years due to limited funding.

- **Councils on Aging (item 9110-9002) would be level funded at $7.9 million.** However, the FY12 formula grants will be calculated using new Census data reflecting an increased elderly population. This account would need an additional $1.4 million to maintain the current annual funding of $7 per elder.

2. **EOEA also oversees the MassHealth Senior Care account (item 4000-0600).** This $2.495 billion account funds a broad range of health care benefits for seniors. Although most spending details are not included in this account a few items are specified:

   - **The Governor's proposal would earmark the nursing home Personal Needs Allowance (PNA) at "up to" $72.80 rather than setting it at that amount as has been done in recent years despite Administration efforts to reduce it.** The PNA is a modest amount of money available to a nursing home resident to pay for items not covered in the MassHealth nursing home reimbursement.

   - **Administration officials say that they have budgeted a significant cut in adult day health (ADH) program reimbursements as a result of "MassHealth benefit restructuring" authorized by Section 44 of the budget proposal.** ADH programs provide a range of daily health and social services to 11,000 frail elders at program sites throughout the state. Section 44 would authorize restructuring "to the extent permitted by federal law" across most MassHealth budget accounts and benefits, including ADH. While the scope of the proposed cut is undefined, Administration officials have said they will continue to reimburse only the most "complex" cases. This means that the majority of program participants who are considered "basic" will be ineligible for MassHealth reimbursements.

3. **Proposed line item 4000-0640 omits language included in FY 11 and in prior years retaining nursing home medical and non-medical leaves of absence at 10 days.**

Other

1. **Adult Basic Education (item 7035-0002) would be level funded at $27.7 million.**

2. **Citizenship Assistance (item 4003-0122) would be level funded at $237,500.**

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