



Massachusetts Association for Community Action (MASSCAP) FY11 Budget Priorities

Massachusetts Association for Community Action (MASSCAP) is the association for the 24 community action agencies operating in Massachusetts. Community action agencies are federally mandated antipoverty agencies that foster economic independence through advocacy, early education and care, homelessness prevention, heating assistance, energy conservation, education and training, asset development, and many more services.

MASSCAP's mission is to increase the effectiveness of community action agencies by advocating for public policies, resources, and social changes that enable low income people to meet their basic needs, access economic opportunity, and build strong communities. MASSCAP accomplishes its goals through research, advocacy, resource development, training, and technical assistance.

Massachusetts Association for Community Action FY11 budget priorities are:

ENERGY

State Fuel Assistance Line Item (7004- XXXX)

Provide \$30 million in State funding for Fuel Assistance to compensate for projected \$98 million cut in federal FY11 Low Income Heating Assistance Program (LIHEAP) funding.

Authorize “forward funding” of State funds for Fuel Assistance so that community action agencies can authorize Fuel Assistance payments to low income households before the federal budget is finalized. Funds forwarded by the Commonwealth will be reimbursed by federal LIHEAP dollars.

Why? The Obama Administration’s FY11 budget cuts LIHEAP funding from \$5 billion to \$2.5 billion with \$790,000 in contingency funding. This means that **the Massachusetts FY11 Fuel Assistance appropriation will be cut from \$192 million to \$96 million.** With funding cut in half, and future increases uncertain, Massachusetts will not be able to meet the heating needs of Massachusetts’ poorest and most vulnerable residents.

Federal cuts mean that **most of the close to 200,000 Massachusetts households served by Fuel Assistance will run out of the resource by the middle of January 2011.** Low income households in unheated homes are likely to use dangerous alternative heating methods like space heaters or turning on the oven to heat the house. Alternatively, they may forego other basic necessities, such as food, in order to maintain heat in their homes.

The federal LIHEAP Bill incorporates various trigger mechanisms to increase funding in case of spikes in energy prices or increases in the number of people in living in poverty. However, even with no changes in poverty or energy costs, **Massachusetts is already responding to an unprecedented number of Fuel**

Assistance requests. As of February 2010, over 208,000 households have applied for Fuel Assistance this year. Last year, the Massachusetts Fuel Assistance program served 186,000 households by the close of the program year in late April.

Forward funding is requested, because the federal budget is often not finalized until after the heating season has begun in Massachusetts. With forward funding, Massachusetts community action agencies can help low income families access Fuel Assistance as soon as the cold weather sets in.

HOUSING AND HOMELESSNESS

Emergency Assistance (EA)(7004-0101)

Maintain Emergency Assistance (EA) at \$133.5 million, the FY10 appropriation, to ensure that homeless families with children can obtain shelter or re-housing assistance.

Keep protections in EA line item by maintaining language that:

- Requires the Administration to give the Massachusetts Legislature 60 days notice before changing EA eligibility or benefits levels;
- Allows homeless families placed in shelter up to 30 days to collect documents verifying their homeless status;
- Allows terminated families to remain sheltered pending appeal;
- Allows EA to be used for transitional housing, not just “short term housing assistance.”

Why? No child in Massachusetts should ever be unsheltered. The Legislature should not budget for a decreasing number of homeless families until there actually is a decline in the number of homeless families. As of February 2010, **there were 3,150 homeless families in shelter in Massachusetts.**

Massachusetts Rental Voucher Program (MRVP) (7004-9024)

Level fund Massachusetts Rental Voucher Program (MRVP) at \$35.4 million, the FY10 appropriation.

Why? Level funding is required to maintain MRVP vouchers for the 5,200 low income families currently on the program. Families with MRVP vouchers have an average annual income of less than \$11,000 and are likely to become homeless without continued rental assistance. Level funding is the minimum that the Legislature should appropriate for MRVP. Massachusetts community action agencies urge the Legislature to consider the impact that increased MRVP funding could have in effectively reducing family homelessness in Massachusetts.

Tenancy Preservation Program (TPP) (7004-3045)

Fund the Tenancy Preservation Program at \$500,000. This is the pre-9c FY10 appropriation.

Why? TPP is an innovative and cost effective homeless prevention programs which prevents homelessness among people with disabilities by acting as a neutral party between landlords and tenants and by providing clinical consultation to the Housing Court. TPP intervenes when an individual with a disability is involved in an eviction case, and the disability is directly related to the reason for the eviction. A TPP clinician identifies needed services, creates a treatment plan, and either provides or obtains services to maintain the tenancy. If the tenancy cannot be preserved, TPP coordinates the tenant's transition to a more appropriate placement.

Residential Assistance for Families in Transition (RAFT) (7004-9316)

Fund RAFT at \$2.5 million. This is half of the pre-9C FY10 appropriation.

Why? RAFT is a cost effective mechanism for preventing homelessness. RAFT provides up to \$2,000 in one-time financial assistance to prevent a family or individual from becoming homeless. Federal Homelessness Prevention and Rapid Rehousing Program (HPRP) funds are not available in all parts of the State, and eligibility restrictions prevent many at-risk households from accessing this resource. **Maintain the state’s commitment to homelessness prevention.**

Public housing operating subsidies (7004-9005)

Fund public housing operating subsidies at \$66.5 million. This is the FY09 appropriation.

Add language that states that homeless or at-risk households who are otherwise eligible for a priority for longer term subsidized housing retain that status when they receive a temporary subsidy.

Why? State public housing operating subsidies must provide enough resources to keep units on line and provide adequate maintenance. Current allocations are much lower than the \$115 million operating subsidy needed to maintain units as documented by DHCD and the State Auditor. Maintenance of homeless preferences is critical for families that receive transitional housing assistance. While some families will be able to stabilize financially with short term help, others will need permanent affordable housing to bridge the gap between their incomes and the cost of housing in Massachusetts.

Homeless Children’s Access to Early Education and Care (3000-4060)

Level fund early education and care at \$262 million. Include language to **restore immediate access to childcare vouchers to homeless children living in shelters**, a successful policy previously implemented by the Department of Early Education and Care, which was suspended in Sept 2009.

Why? Parents need safe quality child care in order to maintain jobs. There are 1500 young children in shelters who are not currently receiving early education and care. Childcare vouchers for homeless children in shelter are a crucial resource to help families access jobs and move into housing. The Department of Early Education and Care plans to increase contracted child care slots for homeless families by 345 slots, but this amount meets only a fraction of the need.

EARLY EDUCATION AND CARE

Head Start (3000-5000)

Level fund Head Start grants including early Head Start at \$8 million, and continue to meet the required 20% non-federal match required by both Head Start and Early Head Start.

Why? Head Start provides high quality child care and family supports for low income families, with demonstrable and lifelong benefits for children. The State match attracts an additional \$32 million in federal funding to provide low income children with education, nutrition, and developmentally appropriate care.

Low Income Working Family Child Care (3000-4060)

Level fund at \$261,950,000--the FY10 post-9c amount--to provide child care for 3,000 children of low income working families, “provided further that this funding be spent to address the current EEC wait list of 23,500 children of low income working families by increasing access to care through the use of income eligible contracts and vouchers.”

Why? There is a waiting list of 23,500 children for affordable child care. The federal government provides 98.2% of funding (TANF and CCDBG) with State level funding providing a mandatory minimum state match.

Child Care Resource and Referral Services (3000-2000)

Level fund child care resource and referral services at \$6,360,000, the FY10 post9c funding levels.

Maintain staffing patterns and fiscal accountability and monitoring structure of Child Care Resource and Referral Centers.

Why? Current staffing and monitoring structure provides accessible CCRR services throughout the Commonwealth. Proposed regionalization will not save additional costs and will make it more difficult for families to access services.

ASSET DEVELOPMENT

Individual Development Accounts (7004-9317)

Reinstate the Individual Development Account (IDA) line item 7004-9317 and provide \$200,000 for Massachusetts Individual Development Accounts.

Why? The Individual Development Account program – a matched savings account program with a financial and homeownership education component – enables low income families to save funds and achieve goals of home ownership, higher education, or small business ownership. Thirty five states fund IDA programs. Massachusetts piloted the IDA program in FY07 with \$500,000, increasing to \$600,000 in FY08 and \$700,000 in FY09 allowed hundreds of low income working families to purchase or acquire assets that support long-term economic stability. Funding for the IDA line item was cut in FY10. **Reinstatement of IDA program is one of eight major recommendations of the Massachusetts Asset Development Commission, co-chaired by Tina Brooks and Senator James Eldredge.** A small Massachusetts investment in IDA enables the Commonwealth to attract federal asset development funds.

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