

Massachusetts Law Reform Institute

99 Chauncy Street, Suite 500, Boston, MA 02111-1703

PHONE 617-357-0700 ■ FAX 617-357-0777 ■ www.mlri.org

House Ways and Means FY 2010 Budget Proposal: Preliminary Analysis of Selected Housing, Cash Assistance, Health, Child Welfare, Child Care and Related Items

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On April 15, 2009, the House Committee on Ways and Means released its budget proposal for fiscal year 2010 (FY 10), approximately two and one-half months after the Governor released his FY 10 budget proposal.

In light of the revenue crisis that the Commonwealth faces, the House Ways and Means budget contains dramatic cuts to some of the programs analyzed here. Several other programs may be insufficiently funded to meet the demand for safety net services in this recessionary economy.

Housing and Homelessness Related Items

1. **The House Ways and Means budget proposal slashes funding for the vital Massachusetts Rental Voucher program, while level-funding or slightly reducing funding for other housing subsidies.**
- **Funding for MRVP (7004-9024), which provides subsidies to very low-income tenants in the private housing market, would be dramatically reduced to only \$17.9 million.** In FY 09, MRVP was allocated just over \$33 million in the budget, with \$35.2 million in expected expenditures based on some one-time funding from MassHousing. The Governor proposed \$35.8 million for FY 10, which would have allowed current voucher holders to retain them, but would not have allowed for reissuance of vouchers to new tenants after current holders no longer qualify. The House Ways and Means budget slashes this amount to \$17.9 million, a 50 percent cut compared to expected FY 09 spending and a 45 percent cut from FY 09 appropriations. Under the House Ways and Means proposal, DHCD and local housing authorities would likely have no choice but to terminate subsidies to thousands of current MRVP holders, which will further exacerbate the Commonwealth's homelessness crisis. Approximately 44 percent of MRVP holders have children under the age of 18 who may need to access the more expensive family shelter system if they lose their vouchers.
- **Public housing operating subsidies (7004-9005), which help housing authorities meet the expenses of maintaining the state's 50,000 public housing units, would receive \$66.3 million under the House Ways and Means budget, down slightly from FY 09 funding of \$66.5 million and from the Governor's FY 10 proposal of \$71 million.**
- **The Alternative Housing Voucher Program (7004-9030) and the Department of Mental Health Rental Subsidy Program (7004-9033) would each be level funded at \$4 million, as recommended by the Governor.**

2. **Homelessness services are transferred from the Department of Transitional Assistance (DTA) to the Department of Housing and Community Development (DHCD), consistent with reorganization plan enacted earlier this year.**
 - **Emergency assistance, the family shelter and rehousing services account (moved from 4403-2120 to new item 7004-0101) is funded at just over \$91.6 million.** This is slightly more than the \$86.2 million in current FY 09 appropriations and than the Governor's recommendation of just over \$90.5 million, but less than the \$113 million that is actually being expended in FY 09 to provide shelter and re-housing services to the skyrocketing number of homeless families. As of April 10, there were 2,754 families in emergency shelter, as compared to 1,928 in January of 2008. The funding in the House Ways and Means budget may therefore be inadequate to meet the current need. However, additional homelessness prevention measures that were funded in FY 09 but are not yet operational and those that can be funded with new federal stimulus dollars may prove successful in reducing demand for shelter. The House Ways and Means item includes important protective language from prior years' budgets that prevents the Administration from implementing eligibility or benefits restrictions unless there is a deficit and only after the Administration has given the Legislature 60 days advance notice. This is the language that allowed the Legislature and the public to object to the proposed restrictions the Administration announced in January and which, as a result, were substantially modified by the Administration.
 - **Assistance for homeless individuals (moved from 4406-3000 to 7004-0102),** which provides shelter and related services, would be funded at just over \$36.28 million, and **the Home and Healthy for Good program (moved from 4406-3010 to 7004-0104),** which is dedicated to housing chronically homeless individuals, would be funded at \$1.2 million. This is essentially level funding for the two programs compared to FY 09.
 - **A new DHCD homelessness, administrative account (7004-0100) is funded at just over \$4.75 million,** as recommended by the Governor. The creation of this account is necessitated by the transfer of responsibility to DHCD for administering homelessness services. Funding for this account was transferred from DTA administrative accounts.
3. **Homelessness prevention and other housing services are mostly level funded, but two programs eliminated.**
 - **Residential Assistance for Families in Transition or RAFT (7004-9316),** one of the few existing, state-funded homelessness prevention programs, would be level funded at \$5.5 million, as it was in the Governor's proposal.
 - The **Tenancy Preservation Project (7004-3045),** which helps preserve tenancies of persons with disabilities, would be level-funded compared to FY 09 at \$500,000.
 - Funding for **Housing Services and Counseling (7004-3036)** would be decreased from the FY 09 level of \$1.91 million to \$1.75 million under the House Ways and Means proposal. This is slightly higher than the Governor's proposal of \$1.63 million for this program.

- A \$2 million earmark in item 7006-0011, for **foreclosure prevention and counseling**, which was in the FY 09 budget, would be **eliminated** by House Ways and Means, although the Division of Banks (DOB) would continue to be able to retain up to \$5 million from licensing fees and civil penalties collected from mortgage loan originators.
- The **Individual Development Account (7004-9317)**, which helps low-income tenants develop assets, would be **eliminated** under the House Ways and Means proposal. In FY 09, it was funded at \$700,000 and the Governor had proposed to decrease it to \$339,800 for FY 10.

Cash Assistance and Related Items Administered by DTA

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

- **The House Ways and Means budget does not adopt the Governor's proposal to consolidate the DTA accounts for TAFDC, EAEDC and the SSI state supplement.** Keeping the accounts separate will make it easier to track spending and do year-to-year comparisons. **However, the amounts House Ways and Means would appropriate for these accounts are somewhat less than the amounts included in the Governor's combined account, and may not be sufficient if caseloads increase as expected.**
- **For TAFDC (4403-2000), House Ways and Means proposes \$310.5 million, compared with \$312.4 million for TAFDC included in the Governor's combined account.** The House Ways and Means amount would be enough if the caseload stays at its current level, but is not enough for anticipated recession-driven increases. Historically, very low income households are the last to get hired when the economy improves, so even if the recession ends sooner than many are predicting, many will still need assistance and it is likely that the House Ways and Means proposal would be insufficient. The Governor's amount also may not have been enough. **Federal Recovery Act Emergency Funds are available to cover 80 percent of the state's increased costs for TAFDC, so there is a strong argument that the state should fully fund these critical benefits.**
- **For EAEDC (4408-1000), House Ways and Means proposes \$84.7 million, compared with \$86.6 million for EAEDC included in the Governor's combined account.** Both amounts would likely be somewhat low if the recession continues to drive up the caseload as it has done during the past year.
- **For the SSI state supplement (4405-2000), House Ways and Means proposes \$224.6 million, compared with \$225.2 million included in the Governor's combined account.** The House Ways and Means amount is \$6 million more than the FY 09 appropriation (after 9C reductions).
- **Unlike the Governor's proposal, the House Ways and Means budget retains critical protections in the line items.** House Ways and Means retains language for TAFDC, EAEDC and EA (discussed above) from prior years requiring DTA to give 60 days advance notice to the Legislature before making cuts in eligibility or benefits. In contrast, outside section 41 of the Governor's proposal would have given the Governor express authority to cut benefits or make other changes in the event of a shortfall without prior

notice to the Legislature. The advance notice provision assures that the Legislature can step in to prevent unreasonable eligibility restrictions or benefits cuts in vital safety net programs, as the Legislature did this year with respect to proposed restrictions for emergency shelter. Historically, the TAFDC line item – like the EAEDC and EA items – did not allow any eligibility or benefit cuts unless there was a projected shortfall in the appropriation, but the shortfall trigger was dropped from the TAFDC line item in FY 08 because of anticipated state law changes to TAFDC. The TAFDC changes were never enacted so it is no longer appropriate to give the Administration authority to make changes in the absence of a budget deficit. An amendment may be filed restoring the previous TAFDC advance notice language and conforming it to the EAEDC and EA provisions.

- **The House Ways and Means TAFDC line item, like outside section 41 of the Governor’s proposal, provides for the annual \$150 TAFDC clothing allowance for children in September and expressly includes it in the standard of need.** The budget has consistently required that the clothing allowance be included in the standard of need to provide a modest clothing benefit to children of low-income families who otherwise do not receive TAFDC.

2. **Employment Services Program and Teen Living Programs**

- **Unlike the Governor’s proposal, House Ways and Means retains separate accounts for the Employment Services Program (4401-1000) and the Teen Living Program (4403-2119).** The Employment Services Program (ESP) would be funded at \$24.5 million (slightly less than FY 09 after 9C reductions) and the Teen Living Program would be funded at \$6.9 million, the same as FY 09. The combined House Ways and Means amount is very slightly more than the combined amount proposed by the Governor. The Executive Office of Health and Human Services and DTA are currently reprocurring the ESP contracts, but everyone recognizes that the available funds are simply not enough to meet the need. Like the Governor, House Ways and Means would reduce the cap on Food Stamp/SNAP retained revenue from \$7 million in FY 09 to \$2.45 million and would renumber the account (4401-1100 in FY 09) as 4401-1101. The account captures federal food stamp reimbursements and bonuses to help fund ESP. The reimbursements are generated in part by state-funded training; because those programs have been cut, fewer reimbursements are being generated and DTA does not expect to get more than \$2 million in retained revenue in FY 09 or FY 10.

3. **DTA Administration**

- **House Ways and Means does not adopt the Governor’s consolidation of DTA Administration accounts, but cuts Administration more deeply.** The Governor proposed \$114.6 million for DTA central administration, workers’ salaries and benefits, and domestic violence specialists and did not include a separate account to increase Food Stamp/SNAP participation. This was a \$14.1 million reduction from the FY 09 appropriation after 9C cuts. House Ways and Means keeps the accounts separate but would provide a total of only \$105.9 million, a \$22.8 million cut from FY 09: \$13.2 million less in central administration, \$9.3 million less for DTA workers, and \$300,000 less for additional Food Stamp/SNAP administration. The proposed reductions in part reflect a shift of funding to DHCD to administer homelessness programs. But both the

Governor and House Ways and Means only propose \$4.75 million for the new DHCD account for homelessness administration (7004-0100). The Governor also planned to transfer some technology functions from DTA central administration to DHCD and EOHHS, and House Ways and Means may be including that transfer too, though this is not clear from the Ways and Means documents. DTA workers already have caseloads that are too large to manage. With caseloads increasing because of the economy, many very needy families and individuals cannot access benefits and services, and workers are unable to comply with federal statutory and constitutional requirements for processing cases. The Recovery Act provides \$3.4 million in additional funds for Food Stamp/SNAP administration; if those funds were taken into account in the House Ways and Means proposal, then the Recovery Act money is not serving its intended purpose of providing *additional* funds to address rising caseloads.

Selected health issues in MassHealth, Commonwealth Care and the Health Safety Net

1. Estimated revenue from enhanced federal Medicaid match

- The House approach to MassHealth budgeting uses more up-to-date information concerning the availability of enhanced federal matching dollars (FMAP) than the Governor's proposal, anticipating that some \$1.06 billion additional dollars will be available to the state as a result of expanded federal match under the federal Recovery Act. When the Governor proposed his budget, the Recovery Act had not yet been enacted, and he only allocated \$711 million in added FMAP dollars for FY 10. But it does not appear that the Ways and Means committee used the additional FMAP dollars in the health accounts. The ACT!! Coalition will seek an amendment in the House budget to require that FMAP dollars be deposited in a special trust fund, so that there can be transparency on the use of these dollars.
- The enhanced FMAP provisions are now expected to bring in over \$3 billion in added federal revenue from October 1, 2008 through 2010. The current federal matching rate has gone from 50 percent to 60.2 percent and likely will increase further as the unemployment rate grows. With every 80 cents in net state Medicaid expenditures now buying \$2 in health care services and pumping \$2 into the state economy, it's not surprising that Medicaid was not harder hit. The Recovery Act also prohibits states from claiming the enhanced match if their Medicaid eligibility levels are more restrictive than those in effect on July 1, 2008.

2. Overall MassHealth spending

- **The House Ways and Means budget appears generally to support the Patrick Administration's desire to fully fund health reform.** Both the Governor's budget and the House Ways and Means budget rearrange the MassHealth program from their traditional line item accounts into larger program accounts, although in different ways. The changes in the accounting makes it difficult to say with certainty that individual program components are funded using the same budgetary assumptions. However, the total funding levels between the Governor's and the Ways and Means proposals are remarkably similar. If the Governor's initial growth projections remain correct, the House Ways and Means budget does not appear to assume any eligibility or benefit restrictions.

However, like the Governor's proposal, there is little in the way of provider rate increases or restoration of 9C rate cuts.

3. Enrollment outreach grants zeroed out (4000-0352)

- **The House Ways and Means committee like the Governor's budget includes no money for the outreach and enrollment community based grant programs. In prior years, these outreach programs were funded for \$3.5 million.** The first round of 9C cuts reduced the state appropriation for this program from \$3.5 to \$1 million, but two other state programs contributed \$2.5 million to make up the difference in FY 09. Advocates, led by the ACT!! Coalition, will seek to restore these dollars through a floor amendment.

4. Return of some long-term budgetary language protections

- **The structure of the new MassHealth accounts would change significantly through the consolidation of many individual program accounts into larger program spending categorical accounts.** Current line items for CommonHealth (4000-0430), Senior Care (4000-0600), MassHealth Standard (4000-0860), MassHealth Basic (4000-0870) Breast and Cervical Cancer Program (4000-0875), the HIV waiver program (4000-1400), and MassHealth Essential (4000-1405) would cease to exist as independent line items. Gone with them are some important budgetary provisos which have been long-standing, advocate driven, policy protections, including protections for nursing home residents. However, language which protects childhood disability criteria and time limits for processing applications in the current and previous years' CommonHealth account are included in consolidated 4000-0500 and 4000-0700. The former Essential line item would also be merged into these larger program accounts, but without language specifically describing the scope of the program, or prohibiting the exclusion of those who are employed intermittently or on a non-regular basis. House Ways and Means would retain the reference to elderly and disabled legal immigrants eligible by virtue of G.L. c. 118E, § 16D(7), included in FY 09 and omitted by the Governor,

5. Enrollment caps possible but unlikely (4000-0700, 4000-0740)

- **Like the Governor's proposal, the House Ways and Means committee proposes consolidated Managed Care accounts at 4000-0740 and 4000-0700 both contain new language providing that the Secretary may limit or close enrollment.** The authority to close enrollment is limited to MassHealth Essential and individuals who are only eligible due to the 1115 demonstration waiver, and requires the Secretary to give 90 days notice to the Ways and Means and Health Care Finance committees. However, enrollment caps would limit the state's eligibility for the enhanced federal matching funds and thus do not seem likely at least through calendar year 2010.

6. Flexibility to redefine requirements of the Children's Medical Security Plan (CMSP) Services (Section 22)

- The House Ways and Means committee adopts the Governor's proposal which allows the MassHealth agency to redefine primary care benefits for non-Medicaid eligible children

under the Children's Medical Security Program. Advocates, led by the Children's Health Access Coalition (CHAC), support this initiative which is found in outside section 22.

7. **Healthy Start (4000-0895)**

- **One exception to the full funding of the health budget appears to be in the Healthy Start Account.** The House Ways and Means budget reduces this account by \$3 million dollars, from \$17.2 million to \$13.2 million. Efforts are ongoing to try to determine whether the cut in this program is off-set by funding in other MassHealth line items. If no clear explanation surfaces, however, it may be necessary to seek an amendment on the floor to restore the money to this vital program serving the pre-natal needs of low-income women who are not eligible for Medicaid coverage; it receives 65 percent federal matching funds under Children's Health Insurance Program.

8. **MassHealth savings**

- According to the Chairman's summary, the committee assumes \$399 million in MassHealth savings initiatives including increased use of pay for performance and utilization management controls. The Governor assumed \$357 million in total MassHealth savings from various payment and utilization management initiatives. The House Ways and Means budget, like the Governor's proposal, also limits reimbursement for a "serious reportable event" and so-called "never events." (Section 21).

9. **Commonwealth Care**

- The new subsidized insurance program for uninsured adults with incomes up to 300 percent of the federal poverty level now insures about 167,000 people. According to the Chairman's summary, the Commonwealth Care Program is funded at \$880 million dollars and assumes a case load size of 180,000 members; this is the same as the Governor's proposal. Commonwealth Care is funded through fund transfers as described in Section 35.

Department of Children and Families (formerly Department of Social Services) and Office of the Child Advocate

1. **House Ways and Means funds the Department of Children and Families at \$772.7 million.** This is a \$43.6 million, or 5.3 percent cut from DCF's current post 9C FY 09 funding level. The House Ways and Means reductions follow FY 09 9C cuts of \$20.2 million, with the result that under the House Ways and Means proposal, the total DCF budget would be cut by \$63.8 million, or 8 percent, of its FY 09 allocation. The House Ways and Means funding level is \$18.7 million below the Governor's proposed funding for the agency. At the same time, caseloads continue to increase: by 15 to 18 percent over the past three years, and by 4 to 5 percent this past year.
- **The services line item (4800-0038) which funds all family stabilization, unification, permanency, foster care, guardianship and adoption payments is funded at \$299.7 million a \$6.8 million cut from its post 9C level which had been cut by \$7.4 million below the original FY 09 allocation.** Group care services (4800-0041) are not cut.

- **All funding for the agency's lead agency system (under which 29 regional agencies work with DCF local area offices to manage provision of services) has been eliminated.**
 - The House Ways and Means budget separates the twelve line items that the Governor had consolidated into five line items and eliminates two: 4800-0030 (lead agencies) and 4800-0021 (the comprehensive services line item). This separation of line items makes spending easier to track than it was under the Governor's proposal. For example, as in previous budgets, House Ways and Means separates services for children and families (4800-0038) from group care services (4800-0041). Funding for social workers (4800-1100) is once again separated from other administrative funding.
 - **House Ways and Means eliminates all earmarks in the DCF budget.**
- 2. Services for Children and Families (4800-0038)**
- Under the Governor's proposal, 4800-0038 would have been consolidated with three other services accounts: Group Care Services (4800-0041), Sexual Abuse Intervention Network (4800-0036) and Placement Services for Juvenile Offenders (4800-0151). DCF had estimated that of the total consolidated spending on these four line items, DCF would allocate \$294 million to spending on Services for Children and Families. The House Ways and Means proposed allocation of \$299.7 million is therefore an increase above the Governor's proposed funding for these services.
 - The separation of these four line items in the House Ways and Means budget makes it easier to track how DCF is spending its funds. However House Ways and Means continues the practice of earlier budgets of consolidating all funding for many different types of services for children and families into the one 4800-0038 unallocated line item. In that line item funding for services to keep children in their homes is merged with funding for foster care, adoption and guardianship, with no direction as to how the Department must allocate the spending between these different kinds of services. Separating out these types of services would enable the Legislature to track significant spending patterns that the budget does not currently show. For example, at this time, 88 percent of the children in DCF's caseload are in their homes or have a case goal of returning to their parents, however DCF estimates that only 12 percent of its spending under the 4800-0038 line item funds services to keep children in, or return them to, their homes. In contrast, in FY 09, payments for foster care and adoption accounted for approximately 81 percent of the total FY 09 account (post October 9C cuts) for services to children and families (4800-0038).
 - The Commissioner in his April 14, 2009 testimony before the Joint Committee on Children, Families and Persons with Disabilities, stated that the Department is planning to reduce or eliminate voluntary services. Because voluntary services are not separately itemized within the 4800-0038 line item, it is not possible to tell what impact the House Ways and Means budget would have on these services that families request, without a complaint of abuse and neglect having been filed against them, in order to address problems before they grow into crises requiring more costly and intrusive DCF intervention.

3. Social Workers

- **House Ways and Means cuts the social worker line item (4800-1100) by \$5.3 million below its current level to \$151 million.** This follows FY 09 9C cuts of \$943,000. In addition, House Ways and Means line item language would increase the target social worker caseload ratios to 19:1 from 18:1. As a point of comparison, the Child Welfare League of America's standard for social worker caseload ratios is no more than 12:1 for investigations. On April 14, 2009 Commissioner McClain testified that the Department had recently gotten its caseload ratio down from about 19.5:1, where it was in May of 2008, to about 18:1. At that hearing, social worker members of SEIU Local 509 testified that the caseload ratios the Commissioner cited were the result of averaging in the caseloads of workers on, or returning from, medical or maternity leave (which included caseloads as low as 0).

4. Lead Agencies

- **All funding for lead agencies was eliminated.** Commissioner McClain testified in April that after a thorough review he had concluded that lead agencies served an important utilization management function (ensuring the efficient and cost effective utilization of services) and that without lead agencies, these functions would have to be performed by DCF staff. His testimony was countered by that of many DCF social workers, members of SEIU local 509, who stated that lead agencies added another level of bureaucracy between the social worker and the family which undermined the essential functions of the direct worker in determining what services a family needed, and which redirected funding away from service to administrative functions. The House Ways and Means budget does not use the savings from the lead agency line item to restore spending for services. **Instead, it cuts the four services line items (4800-0036, 4800-0038, 4800-0041 and 4800-0151) by \$7.1 million below current spending levels.**
- **Services to Victims of Domestic Violence (4800-1400)**
- **House Ways and Means cuts DCF's small budget for domestic violence services by 11.2 percent below current levels.** The Governor would have level funded this line item. This account provides beds for shelter, visitation services and supports to victims of domestic violence, and DCF domestic violence staff. These services are not restricted to DCF involved families.
- **Transitional Employment (4800-0016) and the Child Welfare Training Institute (4800-0091) retained revenue accounts**
- House Ways and Means cuts the transitional employment account by 75 percent to \$500,000. This line item funds a model program to provide employment to older youth either involved or not involved with DCF. According to DCF, this program has not spent more than the \$484,000 proposed by the Governor.
- The Child Welfare Institute, which trains DCF social workers, is essentially level funded. Its funding comes from federal reimbursements received under Title IV-E of the Social Security Act.

5. Child Advocate

- House Ways and Means keeps the funding for the Child Advocate at the Governor's proposed level of \$267,000, a reduction of 11 percent from the original FY 09 appropriation. The Office of the Child Advocate was created by Executive Order in March of 2008. The Child Advocate, a former Juvenile Court judge, has been charged by G.L. c. 18C with monitoring, examining and making recommendations to state government regarding the provision of services to and the treatment of children in the care or custody of state agencies. The Governor reduced funding for this office by \$24,000 in January. Given the very small original allocation, these cuts will challenge the ability of the Child Advocate to carry out the ambitious mission that the Governor established and the Legislature expanded.

Child Care

1. **House Ways and Means, like the Governor, proposes to consolidate the child care accounts for TAFDC-related child care (3000-4050 in FY 09), income eligible child care (3000-4060 in FY 09) and supportive child care for families referred by the Department of Children and Families (3000-4050 in FY 09).** House Ways and Means and the Governor both propose **\$7.5 million less** than these items were funded at in FY 09 after taking into account the 9C cuts and neither House Ways and Means nor the Governor include the \$2 million rate reserve that was appropriated for FY 09. The House Ways and Means summary says that the Ways and Means proposal fully funds care for children with open abuse and neglect cases as well as for families who receive or recently received transitional assistance.
- **The Governor's proposed consolidated account omitted the specific line item directives from prior years for the child care accounts.** House Ways and Means' consolidation, unlike the Governor's, contains a priority for children referred by DCF and an assurance of child care for children whose families are receiving or transitioning from TAFDC and participating in work-related activities. However, it is not yet clear whether some of the language which both the Governor and House Ways and Means deleted provides critical protections that should be restored.
- **The federal Recovery Act provides an additional \$22 million in child care funds over two years (plus an additional \$2 million for quality improvements).** The House Ways and Means summary says that the Recovery Act funds "will further supplement the state's funding of child care for low income families." This suggests that House Ways and Means did not include the Recovery Act funds in its budget proposal and that the funds will be available separately from the budget. Under the Recovery Act, the state may not be able to access the additional funds if it has reduced the amount of general revenue funds for child care assistance below the amount the state would have spent under policies in place on February 17, 2009 when the Recovery Act was enacted.
- **House Ways and Means, unlike the Governor, does not propose to consolidate resource and referral agencies (3000-2000) with Department of Early Education and Care central administration (3000-1000).** But like the Governor, House Ways and Means would move some of the funding for resource and referral agencies to the account for qualify improvement (3000-6000), and would eliminate the professional development account (3000-6050). Department of Early Education and Care central administration would be cut from \$13.5 million to \$12.1 million; the child care resource and referral

account would be cut from \$23.3 million to \$10 million, and quality program supports would be increased from \$1.7 million to \$14.8 million. The total for these items in the House Ways and Means budget is \$36.9 million, \$4.6 million less than the total for these items in FY 09 after 9C cuts, and slightly less than the Governor proposed.

2. **House Ways and Means would cut funding to expand pre-kindergarten (3000-5075) from \$10.9 million in FY 09 to \$9.8 million and would cut funds for Head Start (3000-5000) from \$9 million to \$6.5 million.** The Governor proposed combining the accounts and would have cut \$1.2 million compared with the House Ways and Means combined cut of \$3.6 million.

Adult Education

1. **House Ways and Means is proposing to cut funding for Adult Basic Education (7035-0002) to just over \$28 million** compared to the original FY 09 appropriation of \$31.2 million, FY 09 appropriations after 9C cuts of \$30 million, and the Governor's FY 10 proposal of \$29.2 million. This is a program that is chronically under-funded, resulting in long waiting lists for adult education and English programs for speakers of other languages.
2. **The Citizenship for New Americans Program (4003-0122), which was originally funded in FY 09 at \$650,000 but reduced due to 9C cuts, would be cut by House Ways and Means in FY 10 to \$500,000.** The program was funded at this level in FY 08. This program helps low income residents become citizens, particularly those who, with citizenship, could receive federally-funded benefits rather than state-funded benefits.

For more information, contact MLRI Legislative Director Deborah Silva at 617-357-0700 x 340, dsilva@mlri.org.