

2005 Working Family Agenda Priorities

Health Care:

- Expand health coverage to uninsured Massachusetts's residents
- Restore Mass Health dental, eyeglasses and hearing aid coverage
- Restore MassHealth to legal immigrants
- Pass a Constitutional Amendment that requires the Commonwealth of Mass. to make sure that all residents have health insurance

Stop the Cuts: Restore Revenues:

- Close corporate loopholes: institute Combined Reporting and support Gov. Romney's proposals to close corporate tax loopholes
- Restore the personal income tax rate for earned income in combination with increasing the personal exemption
- Restore the tax rate on dividends and interest with an exemption for low and moderate income seniors

Welfare:

- Preserve access to welfare for families with the greatest barriers to employment threatened with loss of benefits

Jobs and Wages:

- Increase the minimum wage to \$8.25 and automatically adjust it to the cost of living

Housing:

- Increase funding to build and maintain affordable housing
- Restore operating funds for public housing
- Increase funding for rental vouchers to compensate for federal cuts to Section 8
- Oppose Gov. Romney's proposed time limits and work requirements for people receiving vouchers under the MRVP program

Low-Lights of Gov. Romney's Proposed Budget

Welfare

- Eliminates exemptions from the work requirement and time limit for families where the parent is disabled, is needed to care for a disabled family member, is a pregnant woman in her third trimester, is a teen in school, or has a child between ages 1 and 2. 5600 individuals who have had their disabilities certified by the U.Mass Medical's Disability Evaluation Service would lose their exemptions.
- Repeals the guarantee of child care for recipients who are working or participating in a work activity and for employed former recipients for the first year after they leave welfare.
- Establishes a lifetime time limit for receiving welfare of 5 years, which would be applied retroactively.
- DTA would have the authority to set the required number of work hours at whatever it determines would help the state meet federal work participation rates. Language giving recipients the right to choose their own work activity and to count housing search for homeless families in shelter is eliminated.
- Repeals the "good cause" provisions enacted last year, which prohibited DTA from sanctioning recipients who do not participate in work activities because they lack appropriate child care, lack transportation, or have to meet housing search requirements.

Emergency Assistance - EAEDC

- Authorizes DTA to impose work requirements on most adult EAEDC recipients – most of whom have been certified as disabled through U.Mass Medical's Disability Evaluation Service.
- DTA would count the income of sponsors for immigrants applying for EAEDC – even though the sponsor does not make any of this money available to the immigrant. Based on this, many would not meet income eligibility guidelines.
- Funding is cut by nearly 20% - about \$12 million – reflecting expectations that many will lose benefits.

Housing

- The Governor proposes to extend his new TAFDC and EAEDC work requirements to recipients of the Mass. Rental Vouchers Program, as well as imposing time limits of 36 consecutive months and 60 lifetime months for the program.
- Funding for the MRVP is \$24.3 million, the same as last year, at a time when funding for the federal Section 8 program is severely threatened.
- Public housing operating subsidies are cut, from last year's \$33.95 million to \$31.3 million. This is lower than FY 2001 and \$8.2 million less than the amount recommended by the Housing Authorities and CHAPA.
- RAFT funding is maintained at \$2 million, despite very high demand for the RAFT Program (money will soon run out for this year).

Health Care

- The budget once again eliminates benefits for elderly and disabled legal immigrants.
- The Governor has promised a major new initiative to cover the uninsured but this is not reflected in the budget.
- Funding for MassHealth Essential (coverage for long-term unemployed) will be far short of need, resulting in long waiting lists.

Taxes

- Calls once again for a roll-back of the personal income tax to 5.0% from the current 5.3%. Over 60% of the benefit from these cuts would go to the 20% of residents with the highest

incomes. The loss in revenue this year would total \$225 million; by FY 2007, the revenue loss would grow to over \$550 million when the change would be in effect for the entire fiscal year.

Child Care

- The proposed budget fails to provide the additional funding needed to accommodate the greatly increased child care needs that would result the 14,000 families (with 22,000 children) now subject to the work requirement. Child care funding would only increase by \$5 million, sufficient to care for only 730 additional children. As a result, the child care shortage would be severely aggravated, at a time when the waiting list is 14,000 children.

Human Services

- Healthy Families, a program to visit young parents at home to assist them with parenting, is cut by 50% compared to last year
- Cuts prostate cancer screening and prevention by \$750,000

Education

- Fails to reverse the extreme cuts in K-12 education funding from 2 years ago. Chapter 70 aid would be increased by 2%, about the inflation rate, \$254 million less than would be needed to provide the same level of services as in 2002.

Public Health

- Fails to reverse the extreme cuts in public health funding from past years. Increases the public health budget by just under 2% (adjusting for inflation), while there has been a 27% decrease in public health funding since FY 2001.

(Thanks to Mass Law Reform Institute, Mass Budget and Policy Center, CHAPA, and the Mass Human Services Coalition for the information in this fact sheet.)

Health Care Issues

Background

In the late 1990s, Massachusetts greatly increased access to health care for individuals and families in need. This included increased access to MassHealth for struggling working families and prescription drug assistance for seniors under the Prescription Advantage program.

However, during the state's fiscal crisis from 2001-2004, many of these gains were dismantled. Over \$500 million was cut from MassHealth and enrollment was cut by over 76,000 people. In 2003 there was an attempt to eliminate the Prescription Advantage Program.

Restoring Cuts to MassHealth

MassHealth provides health care coverage to nearly one million struggling, working families in Massachusetts. In 2002, several benefits and programs were eliminated, including dentures, eye glasses, and dental care and co-pays for prescription drugs were increased. Health Care for All and the Mass Health Defense Coalition have filed bills to "restore vital benefits" and restore dental coverage to adults.

Expanding Access to Affordable HealthCare

There are over 460,000 people uninsured in Massachusetts. The number of uninsured is growing, especially among workers. Premiums continue to increase, and providers are forced to raise rates to make up for low payment rates by the state. The quality of care varies, hurting patients and increasing costs. A coalition of community organizations, labor unions, doctors, hospitals, community health centers, public health advocates and consumers have filed a bill to expand access to affordable health care and reduce the number of uninsured by about half.

- This plan greatly expands MassHealth coverage for individuals.
- The plan increases MassHealth eligibility for parents from 133% to 200% of poverty.
- The plan increases MassHealth eligibility for children from 200% to 300% of poverty.
- The makes health care available for moderate income workers by providing a sliding scale subsidy for people with incomes between 200-400% of the federal poverty level.
- This plan requires employers to provide health care to their workers or pay a fee that to help the state pay for expanded health coverage.
- The Act identifies potential funding sources such as redirecting existing spending on the uninsured, new federal matching funds, employer fines, a 50-cent tobacco tax increase, and other new revenue yet to be identified.

Mass Health for Legal Immigrants

In 2003, 10,000 special status legal immigrants lost their health coverage. Special status legal immigrants are here legally and are tax paying residents of Massachusetts. They include people who have had their green card for less than five years and people who are in the United States because there is a catastrophe in their own country like a war or a natural disaster (e.g. a famine or a flood) that prevents them from going back. Thanks to our state legislature, coverage has been restored for elderly and disabled legal immigrants. This coverage includes about 3,000 people, but the funding will run out soon. **And, again, this year Governor Romney is targeting legal immigrants.**

All people deserve healthcare. People without health care are more likely to die prematurely and unnecessarily. It is also bad for our society because people without health care are more likely to be sick and unable to work productively. We need to provide healthcare to all, so people can maintain their jobs and continue to support their families and our society.

Expanding Access, Reducing Costs, Improving Quality

An Act to Improve Health Access and Affordability

Lead Sponsors: Senator Richard Moore and Representative Deborah Blumer

The Problem

Because of growing health care costs, people are losing their health coverage and access to health insurance. This is leading to a greater number of uninsured people, especially among working families. Also, doctors and hospitals are forced to raise their rates to make up for low payments by the state, which then causes private health premiums to rise.

Plan for Reform

The Health Access and Affordability Act expands access to affordable coverage, controls growth in health care costs and improves quality for everyone.

The Act expands access to affordable coverage by:

- Guaranteeing coverage for low-income individuals and families through MassHealth or by helping with payments for health insurance purchased through employers.
- Providing assistance to middle income, working individuals and families to purchase insurance.
- Requiring employers to either provide health coverage or pay a fee to the state. Companies already providing insurance will not have to pay anything to the state.
- Covering catastrophic health costs for individuals and small businesses, which will lower premiums.
- Offering assistance to small businesses to help them pay the premiums for their employees.

The Act reduces health care costs by:

- Setting fair MassHealth rates for doctors and hospitals that are based on costs and encourage high-quality care.
- Reducing use of more expensive services, like emergency rooms.

The Act improves the quality of health care by:

- Organizing a state board to set annual quality improvement and cost reduction goals.
- Establishing a community health worker program, particularly in minority and underserved communities.

To do all of this, the Act will use money currently spent on health care by the state and new funds from the federal government, fees, and a 50-cent tax increase on cigarettes.

The Health Access and Affordability Act is supported by an ever-growing, broad coalition of consumers, patients, community organizations, businesses, labor unions, doctors, hospitals, health plans, and community health centers (the Health Reform Coalition's Steering Committee members are listed on the reverse side).

Action Steps

For more information on the legislation and the campaign supporting it, visit our web page:
www.hcfama.org/reform.

STOP THE CUTS: RESTORE REVENUES

THE FISCAL REALITY FOR 2005: URGENT NEEDS FOR NEW REVENUE

We have a projected shortfall of \$300-600 million for FY06. Additionally, there are numerous looming challenges ranging from projected federal cuts to vital health care and education initiatives which will necessitate new revenue.

- **Unrestored Cuts:** Over the past several years, there have been nearly \$3 billion in cuts to health programs, local aid, housing, child care, and education.
- **Federal Cuts & Policy Changes:** The Bush Administration plans to cut or block grant Medicaid and Section 8, which would cost the state hundreds of millions to make up.
- **Health Care Expansion:** Covering the uninsured could cost hundreds of millions to implement
- **Early Education:** Commitment to universal early education could require up to \$1 billion to fully fund

OPTIONS FOR RESTORING REVENUE IN FY 2006

A. Close Corporate Tax Loopholes

In 1968, corporations paid 16% of all taxes in Massachusetts. By 2002, this had declined to 4%. Due in part to economic growth, but also as a result of tax reforms over the past two years, corporations now pay 7% of all taxes. But we still have a long way to go to achieve fairness.

1. Institute combined reporting – Revenue Estimate: \$105 million to \$251 million

Combined reporting is the method of determining the amount of a corporation's profits that are subject to taxation that most accurately reflects its total profits. Consequently, it is also the most effective means of preventing corporations from artificially shifting profits from one state to another to avoid their fair share of state tax burdens. Under combined reporting, all entities subject to the corporate income tax in the Commonwealth, when filing their tax returns, would be required to list **all** of the profits realized by **all** of their related subsidiaries, regardless of where those subsidiaries are located. The Massachusetts apportionment formula would then be applied to the full amount of profits listed in the combined report in order to determine how much of those profits are taxable in the Commonwealth.

Sixteen states – including California, as well as New Hampshire and Maine – use combined reporting; Vermont will begin using it next year. Massachusetts is not among them and thus loses millions of dollars in corporate tax revenue each year, since the reporting method the state uses allows corporations to funnel profits out of the state in order to reduce the taxes they pay here. Indeed, one noted tax expert calls the failure to use combined reporting “an open invitation to tax avoidance.”

Chapter 262 of the Acts of 2004 establishes a sixteen member commission to examine the potential use of combined reporting in Massachusetts; it is required to hold three public hearings and to report its findings by May 1, 2005.

2. Implement the Governor's tax loophole package – Revenue Estimate: \$170 million

On January 26, Governor Romney introduced legislation (H. 21) that would, among other things:

- *Apply the sales tax to “intangible” software sales (\$50 million)* – As present, sales of software that is delivered in tangible form (e.g. via a compact disc sold in a store) are subject to the sales tax. If that same software package were delivered electronically (e.g. via the Internet), it would not be subject to the sales tax. H. 21 would ensure that the sales tax is applied in both cases.
 - *Enhance the Department of Revenue’s authority to combat “distortionary” tax planning practices (\$50 million)* – H. 21 would improve the Department of Revenue’s ability to address situations in which a corporation uses transactions with one of its subsidiaries to reduce the income it reports on its Massachusetts tax return. DoR would be permitted, in such situations, to adjust the corporation’s return to reflect more accurately the income the corporation earns from doing business in the Commonwealth. For instance, in such situations, DoR could require the corporation to use combined reporting.
 - *Prevent companies from using intermediaries to avoid the deeds excise when selling real estate (\$20 million)* – At present, an owner of a piece of real estate can avoid the Massachusetts deeds excise by establishing a partnership, transferring that real estate to the partnership, and then selling the partnership to the company that wishes to purchase the original piece of real estate. (Such a sale is not subject to the deeds excise.) H. 21 would apply the deeds excise to sales of partnerships (or other, similar entities) that own real estate in order to prevent the use of such schemes.
 - *Ensure that out-of-state owners of Massachusetts real estate pay personal income taxes when such property is sold (\$15 million)* – Individuals that own property in Massachusetts but that reside out of state have used tactics similar to those described above in order to avoid paying Massachusetts income tax on gains realized from real estate sales. H. 21 would treat, for income tax purposes, the sale of a partnership or a similar entity that owns real estate as though it were the sale of the real estate itself.
 - *Impose new penalties on the promoters and users of abusive tax shelters (\$5 million)* – For example, H. 21 would create a new fine for legal or accounting firms that market abusive tax shelters. The fine would be \$5,000 for each taxpayer to whom the shelter was marketed or the amount of money the firm made from the shelter (whichever is lower).
- B. Restore the personal income tax rate to its 1999 level of 5.95% in combination with a restoration of personal exemptions to their 2001 levels – Revenue Estimate: \$771 million**

As part of the 2002 tax package, the personal exemptions available to all taxpayers were reduced well below their 2001 levels. Restoring both the tax rate and the exemption levels would raise significant revenue without imposing a tax increase on low-income individuals and families.

- Raising the personal exemption more steeply so that low-to-moderate income taxpayers would experience no increase in taxes would still raise \$600 million in new revenue.
- Restoring the personal income tax rate to only 5.75% would still yield \$472 million in new revenue, while a tax rate of 5.6 percent would raise \$239 million, if they were paired with a restoration of personal exemptions to their 2001 levels.

C. Return the personal income tax rate for interest and dividend income to its 1998 level of 12 percent, combined with an exemption for middle and lower income seniors.

At present, interest and dividend income (known as unearned income) is taxed at the same rate as earned income (i.e. wage and salary income). From 1990 to 1998, interest and dividend income was taxed at 12 percent; prior to 1990, it was taxed at a rate of 10 percent. Meanwhile, federal taxes on unearned income have been cut sharply. As a result, overall (state and federal) taxes on unearned income would still be lower than they were before Bush, even with an increase in state taxes on dividends and interest. At the same time, we could exempt middle and lower income seniors from the increase, in order to make sure that the impact would fall primarily on wealthy taxpayers.

An Act Relative to Responsible Welfare Reform: *Cabral-Creem bill promotes fiscal responsibility and family well-being*

A. The Cabral-Creem Bill would amend our state welfare law, chapter 5, to protect cash assistance for:

1. The state's most vulnerable families, such as parents with disabilities, parents caring for a family member with disabilities, teen parents, caretakers age 60 and older, and women in the third trimester of pregnancy, by preserving current exemptions from work requirements and time limits for these parents;
2. Parents participating in education or training activities to satisfy their work requirement (passed by the legislature last year) in case federal law makes education and training non-countable;
3. Parents living in family shelter and doing housing search in satisfaction of their welfare work requirement (passed by the legislature last year);
4. Parents unable to meet the work requirement or the requirements of their Employment Development Plan for 'good cause' reasons (passed by the legislature last year); and
5. Legal immigrants, whose access to cash assistance was eliminated in 2002.

B. The Cabral-Creem Bill would amend c. 5 to provide necessary services and work supports to parents with disabilities and other substantial barriers to employment who are able to participate in an education or training program, or who are able to work to some extent.

C. The Cabral-Creem Bill would amend c. 5 to substantially adopt the federal welfare work requirement that is expected to be in effect when we lose our waivers in October 2005.

Anticipated work hours required by federal law and included in the bill are:

24 hours of '**Core Work Activities**' for ALL parents, **PLUS** up to

13 hours of '**Qualifying Activities**' **BUT** only if needed for the state to meet federal workforce participation rate requirements, and only on or after October 2006 (may apply only to parents of children over age 6).

Core activities under the Cabral-Creem bill include work, community service, education and training for up to 12 months, some on the job training, job search, housing search for parents living in family shelter, participation in the full employment program, and any other activities countable as a core work activity under federal law (such as barrier removal activities for up to 3 months), or a combination of any of these activities.

Qualifying activities under current federal bills include activities to remove barriers to employment and improve family wellbeing (therapy, family counseling, volunteering at your child's school).

For more information, **contact Elizabeth Toulan, Family Economic Initiative, 617-603-1626, etoulan@qbls.org (12/1/04)**

Examples of Families With TAFDC Disability Exemptions

January 13, 2005

(names are pseudonyms)

1. Deanna Thomas is a 35 year old single mother who lives in East Boston and relies upon her TAFDC benefits to support herself and her 9 year old son. Ms. Thomas grew up in a series of foster homes where she was often beaten and was sexually abused; she married at age 17 in order to escape. At the age of 19, Ms. Thomas suffered a catastrophic accident when she fell from a window, breaking her back and shattering numerous bones. She was hospitalized for several months and could not walk at all until 6 months after her accident. She continues to suffer from significant pain and has never completely regained her ability to walk without limping or pain. Ms. Thomas also suffers from Hepatitis C and kidney problems. In addition to her physical disabilities, Ms. Thomas has been determined by a mental health professional to be "severely disabled" with an anxiety disorder and agoraphobia (fear of being outside) that is likely related to her childhood abuse. She has applied and been denied for SSI twice, largely because she was unable to follow through with the appeals processes. The second time she hired a lawyer whose advertisement she saw on television, but the lawyer said nothing at the hearing. Legal services advocates are helping her reapply now, but the process takes a long time and without TAFDC and a disability exemption to get her through, she would have no income. Because of her agoraphobia, it is almost impossible for her to get mental health treatment, which is a barrier to her being able to qualify for SSI, and because of her disabilities, she is unable to work.

2. Judy Baines is a 36 year old single mother who lives in Plymouth with her 15 year old son. She worked 35 to 60 hours a week until 2002, when she became increasingly ill with a variety of allergies and auto-immune disorders. The most severe effect is that her allergies bring on incapacitating migraine headaches. Although she is under a doctor's care, she suffers from a migraine about 15 days a month. A serious migraine can affect her balance, gait, coordination, memory, speech and/or thought processes. They can be disorienting and cause difficulty seeing, hearing and remembering. Because of these symptoms, Ms. Baines must spend significant amounts of time resting quietly in a darkened room. She frequently is unable to drive and often needs assistance in performing basic activities, like walking and carrying objects. As a result of these incapacities, since the spring of 2003 she has relied on TAFDC, pursuant to a disability exemption, to help her support herself and her son.

3. Wendy Emerson is a 31 year old mother of one child who lives in Boston. Although she graduated from high school, she reads at only a third grade level and has an IQ of only 73, in the borderline range of intelligence. In approximately 2001-2002, she was trapped in her apartment and repeatedly raped and beaten by a man she knew. As a result, she has horrible nightmares and flashbacks. She has been diagnosed with severe depression, post-traumatic stress disorder and panic disorder, including agoraphobia, which keeps her housebound. She has been employed at fast food and grocery stores but never for long. She was in a training program at Goodwill, but was terminated because of poor attendance due to her agoraphobia. She cries often and has difficulty sleeping. Although she has been taking antidepressants for some time, her symptoms have not improved. Her mother, who lives nearby, helps Ms. Emerson care for her daughter. Ms. Emerson supports her daughter with TAFDC pursuant to a disability exemption, although DTA did not recognize that she was disabled enough to qualify for an exemption until after advocates became involved. At that point, Ms. Emerson had been sanctioned for not meeting the work requirement and notified by DTA that her benefits were

being terminated due to the time limit.

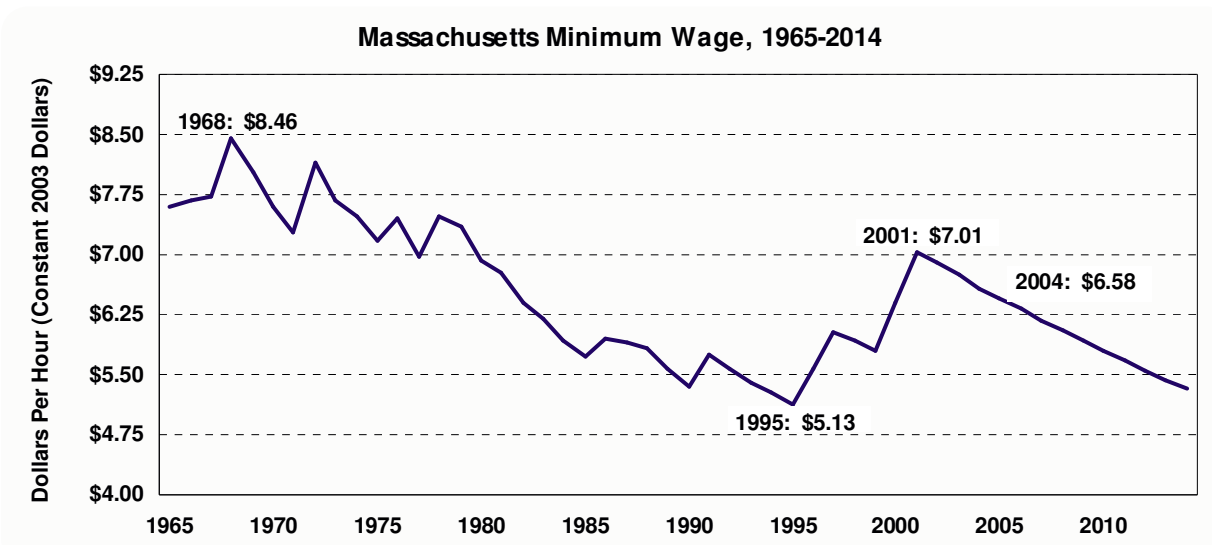
4. Carla Gove lives in Worcester. She lives with her four children ages 15 - 19 and her husband. Her husband receives SSI benefits and cannot work due to his own disabilities. Ms. Gove suffered traumatic experiences growing up: she saw her father commit suicide and she was sexually abused. Even though she is receiving mental health treatment, she suffers from depression and anxiety. She gets overwhelmed by stress and by interactions with other people. She has auditory hallucinations (hears voices) and has great difficulty concentrating on specific tasks. Her children help her with household activities and go with her when she has to go shopping since she fears traveling alone. Ms. Gove applied for federal SSI benefits in February 2003 and has pursued the available appeals processes, but has still not been approved. She receives TAFDC benefits to support herself and her minor children pursuant to a disability exemption.

5. Catherine Carson is from Springfield and the mother of two children. Her disabilities are a herniated disc and a bulging disc in her back, arthritis in both knees and feet, carpal tunnel syndrome in both hands, and vertigo causing nauseousness. The carpal tunnel syndrome drastically restricts her use of both of her hands. The arthritis in her knees and feet makes it difficult for her to stand or walk and she must use a cane to get around. Her doctor says she should not walk, stand or sit for more than one hour at a time or for more than one hour total per day. These restrictions make work impossible.

For more information, contact Ruth Bourquin, Massachusetts Law Reform Institute, 617-357-0700 ext. 333 or rbourquin@mlri.org.

Increasing the Minimum Wage to \$8.25 an hour and Indexing it to Inflation

Despite our victories in increasing the Massachusetts minimum wage, it is still too low for workers to meet their most basic needs. Also, because it does not go up with inflation, its value keeps going down. **We can address these issues by increasing the minimum wage to \$8.25 per hour – the same amount we increased it in 1999 (by \$1.50) – and then indexing it to inflation to preserve its real value over time.**



Increasing Massachusetts minimum wage to \$8.25 per hour and indexing it to inflation would:

- **Directly increase the wages of about 261,000 Massachusetts workers (9% of workforce).**
- **Help those who need a raise the most.** The poorest 20 percent of households in Massachusetts make just 5 percent of total earnings. Their average weekly wages are \$312. 37% of the new wages from increasing the minimum wage to \$8.25 would go to these households.
- **Minimum wage increases can help push up wages for other low-paid workers.** Since 1995, the minimum wage in Massachusetts rose from \$5.13 to \$6.75 per hour. During that same 1995-2003 period, wages for workers at the lowest 10th percentile of wages grew from \$7.11 to \$7.90 per hour, while wages for workers at the lowest 20th percentile grew from \$8.91 to \$9.89 per hour.
- **Minimum wage increases can help reduce poverty rates.** Throughout the economic boom of the 1990s, the largest and longest economic boom in Massachusetts's history, the poverty rate in the state stayed the same at around 11% in poverty. The year after we passed the \$1.50 increase in the minimum wage in 1999, the poverty rate dropped to 9.4% and has held steady at that rate since. Moral of the story: economic booms don't lower poverty, good public policy does!
- **Minimum wage increases have not led to widespread job losses.** Following minimum wage increases in 1995, 1996, and 2000, total employment in Massachusetts grew. Although Massachusetts has had sharp job losses since the onset of the national recession in 2001, those losses have been mainly in manufacturing and information, neither of which rely on minimum wage workers. In contrast, employment in leisure and hospitality, where minimum wage workers mostly work, has actually grown since 2001.

Working Families Housing Priorities 2005

The funding of Affordable Housing in Massachusetts in the past 10 years has declined significantly. In 1989, the Department of Housing and Community Development (DHCD) budget was \$410 million. The 2004 DHCD budget was 188 million, a decrease of 54%. During this same period, the affordable housing crisis caused rents to increase dramatically and home ownership became unattainable for most families. In address this problem, we support the following budgetary items for FY06

➤ **An Act Relative to Financing the Production of Affordable Housing**

Lead Sponsors: Senator Chandler & Representative Honan
Senate Docket # 722 & House Docket #1590

Summary:

- This \$200 million bond bill would fund the Affordable Housing Trust Fund (AHTF) and the Housing Stabilization Fund (HSF) to build and maintain affordable housing units in public housing
- The AHTF provided assistance for 2,700 units during its first three years
- More than 80% of those units are affordable and 33% of the units are affordable for families below the poverty line
- The trust fund will be out of money before the end of this year
- This bill would also provide \$100 million to the AHTF over the next 5 years

➤ **Public Housing Operating Subsidy (7004-9005)**

FY 05: \$30.2 million
Budget Request: \$39.5 million

Summary:

- Public Housing Operating subsidies supplement what it actually costs to operate public housing and what Local Housing Authorities (LHA) receive in rent from low-income tenants
- Thanks to legislative support, subsidies in FY 05 were \$5 million higher than in FY 04; However, they are still shy of its FY 01 level
- As a result, much needed repairs are not being made and unaffordable rent increases have been imposed on struggling low-income tenants
- Therefore, we support an increase to at least \$39.5 million

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

FY 05: \$24.2 million
Budget Request: \$34.2 million

Summary:

- MRVP helps low-income tenants pay their rent in private housing
- MRVP has suffered cutbacks each year, for the last 10 years
- As of September 2004, only 1,615 of 3,506 mobile vouchers were leased
- Federal rental vouchers (Section 8) have been frozen for the last two years and the Bush administration is likely to cut Section 8 in years to come, so funding the MRVP is more important than ever
- Increased funding will bring the 2,000 unused vouchers back
- We also oppose the Governor's proposal to impose time limits and work requirements for this program; the Gov fails to recognize that many people with low levels of education, low wage jobs or disabilities have an ongoing need for housing assistance.