



801 Albany Street
1st Floor
Boston, MA 02119

Phone: 617.414.6366
Fax: 617.414.7915
www.childrenshealthwatch.org

June 26, 2024

Re: Fiscal Year 2025 Budget Negotiations

Representative Aaron Michlewitz
Chair, House Ways and Means
State House, Room 243
Boston, MA 02133

Senator Michael J. Rodrigues
Chair, Senate Ways and Means
State House, Room 212
Boston, MA 02133

Representative Ann-Margaret Ferrante
Vice Chair, House Ways and Means
State House, Room 238
Boston, MA 02133

Senator Cindy Friedman
Vice Chair, Senate Ways and Means
State House, Room 313
Boston, MA 02133

Representative Todd Smola
House Ranking Minority Member
State House, Room 124
Boston, MA 02133

Senator Patrick M. O'Connor
Senate Ranking Minority Member
State House, Room 419
Boston, MA 02133

Dear Honorable Conferees,

As the Conference Committee considers the reconciliation of H.4601 and S.2800, "An Act making appropriations for the fiscal year 2025", we at Children's HealthWatch urge you to include several provisions that are critical to promoting the health and well-being of children and families.

Children's HealthWatch seeks to achieve health equity for young children and their families by advancing research to transform policy. We accomplish this mission by interviewing caregivers of young children on the frontlines of pediatric care in urban emergency departments and primary care clinics in four cities. Headquartered at Boston Medical Center, since 1998, we have interviewed over 80,000 caregivers and analyzed data from those interviews to determine the impact of public policies on the health and development of young children and their families' well-being.

Our research demonstrates that children and their families need consistent access to financial resources, safe and affordable homes, nutritious food, and health care throughout their lifetime in order to thrive. Currently, the state has an opportunity to pass a comprehensive budget for the upcoming fiscal year that appropriately funds critical programs that respond to the realities of families with young children and supports their stability and well-being. **We write today in strong support of the following provisions in the Massachusetts FY25 budget:**

Access to Tax Credits:

We are deeply appreciative of the landmark expansions of family tax credits, namely the Earned Income Tax Credit and Child and Family Tax Credit, passed by the Legislature in October. Volunteer Income Tax Assistance (VITA) sites, which offer free tax preparation to families with low incomes across the state,

are an essential resource to ensure families claim and keep the tax credits for which they are eligible. They are important alternatives to paid – and often predatory – tax filing services. This year, VITA tax preparers from within our Healthy Families Tax Credits Coalition reported an increase in filings, with thousands of families claiming the improved credits. This translated to millions of dollars returned back to our residents and invested local economies, including federal dollars otherwise left on the table.

VITA is funded through an **earmark within line item 1201-0100**. We are extremely concerned that both House and Senate budgets cut VITA appropriations from \$1.5 million to \$820,000. This cut will affect the capacity of VITA sites, resulting in fewer staff and limited hours. A reduction in VITA funding will likely also result in a reduction in tax filing among low to moderate income taxpayers. **We ask the conference committee to level fund VITA at \$1.5 million in line item 1201-0100.**

Cash Assistance:

Restore a 10% increase to *both* the Transitional Aid to Families with Dependent Children (TAFDC) and Emergency Aid to the Elderly Disabled and Children (EAEDC) cash assistance grants, beginning in October 2024.

- Line item 4403-2000: Increase TAFDC grants by 10%, ***as included in both House and Senate budgets***
- Line item 4403-2000: Increase the annual children's clothing allowance from \$450 to \$500 per eligible child, ***as included in the Senate budget***
- Line item 4408-1000: Increase EAEDC grants by 10%, ***as included in the Senate budget***
- Implement grant increases beginning in October 2024. *House and Senate budgets set grant increases until April 2025, delaying needed cash from reaching the poorest families in the Commonwealth.*

Housing:

Emergency Assistance family shelter and services (line item 7004-0101):

- Provide funding of at least \$326 million, ***as included in the Senate budget***
- Adopt language that would allow placement of families who appear to be eligible for shelter in shelter pending verifications, even if families do not immediately have all of the requested identity and custody verifications, ***as included in the House budget***

HomeBASE Rehousing Program for Children and Families (line item 7004-0108):

- Adopt language that would allow families to maximize their incomes by not re-imposing an income eligibility limit for families enrolled in HomeBASE, ***as included in the Senate budget***

Access to Counsel (New line item 0321-1800):

- Include at least \$2.5 million to support a new access to counsel program for families facing eviction, ***as included in the House budget***

Child Care:

We are deeply appreciative of shared appropriations of \$774 million for ongoing child care financial assistance to families and \$20 million to increase reimbursement rates for providers who enroll children receiving assistance. We urge you to adopt the following provisions that will strengthen child care access for families with low incomes:

Priority provisions included in the House budget:

- Provide \$8 million to offer child care financial assistance to early educators.
- Establish an early education and care data advisory commission, and collect data on the child care sector and the families who are served by it, which will be critical to ensuring an equitable distribution of state resources.

Priority provisions included in the Senate budget:

- Immediately expand eligibility for child care subsidies up to 85% of the state median income, ensuring that more families can access financial assistance for early education and care while continuing to prioritize the lowest-income families for available funding.
- As funds become available, allow expanded eligibility for child care subsidies up to 125% of the state median income, ensuring that more families can access financial assistance for early education and care while continuing to prioritize the lowest-income families for available funding.
- Invest \$80 million to provide child care financial assistance to more eligible families in FY25 (compared to \$30 million for lowering the waitlist in the House).
- Permanently ensure affordability for families receiving child care financial assistance under this eligibility expansion, by limiting family fees to 7% of household income and providing that families with income at or below the federal poverty level are not charged fees.
- Establish a career ladder for early educators and incentivize EEC programs to follow its recommended salary and benefit guidelines.
- Fund Head Start at \$18.5 million (compared to \$17.5 million in the House budget).
- Ensure that Transitional Child Care for families who leave the TAFDC program is available not only to parents who are working, but also to those participating in DTA-approved activities like education and training programs.
- Require EEC to review the child care financial assistance program annually to identify and address access barriers faced by families.
- Ensure that families faced with a denial, loss or reduction of child care financial assistance have the opportunity for an administrative appeal hearing and can continue to receive child care financial assistance pending an administrative review or hearing.
- Require an annual report on the numbers and outcomes of families' appeals of denials and terminations of child care financial assistance.

Cliff Effect Pilot:



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Allocate \$100,000 to Springfield WORKS for the continued support of a 3-year pilot program to mitigate cliff effects for families from across the Commonwealth, ***as included in the Senate budget.***

Children's HealthWatch thanks House and Senate leadership for recognizing the role of housing, child care, and income in promoting the health and financial stability of families across the Commonwealth. We urge the Conference Committee to include the above provisions in their final version of the bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie Ettinger de Cuba", written in a cursive style.

Stephanie Ettinger de Cuba, PhD, MPH
Executive Director, Children's HealthWatch