

RESEARCH FOR THE *ON SOLID GROUND: BUILDING OPPORTUNITY, PREVENTING HOMELESSNESS REPORT*

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CONTEXTUAL FORCES THAT INFLUENCE THE EXTENT AND INCREASE OF EXTREMELY LOW INCOME FAMILIES WITHOUT STABLE HOUSING IN MASSACHUSETTS

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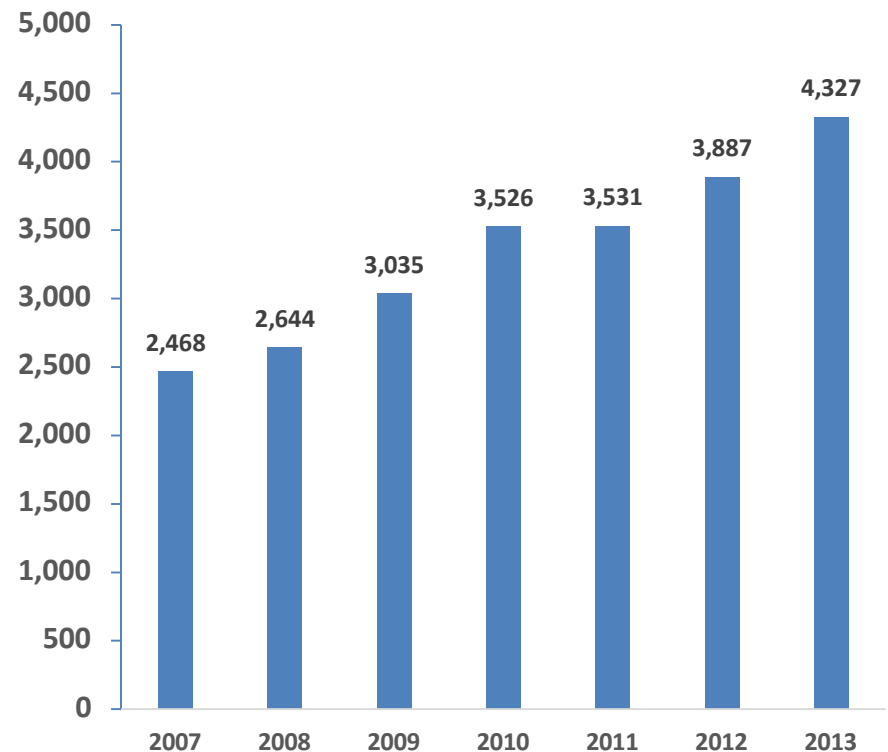
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Since 2007, family shelter usage in Massachusetts has increased 75 percent, from 2,468 families to a peak of 4,327 families on a given day.

According to federal point-in-time homelessness data, family homelessness in Massachusetts increased 75 percent from 2007 to 2013. Over the same period, individual homelessness has declined 19 percent.

This increase in demand for shelter has outstripped the capacity of the Massachusetts family shelter system, including scattered site and congregate housing, which traditionally accommodated just over 2,000 families. In the face of high need, the State has been forced to turn to motels to house additional families each time there has been an economic downturn, including from 1990- 1995, 2001-2004, and again as a result of the Great Recession (2008 to current).

In the first of these two downturns, motel usage never exceeded 600 families, but in the fall of 2009, the number of families in motels exceeded 1,000 for the first time, and surpassed 2,000 families in the fall of 2013.



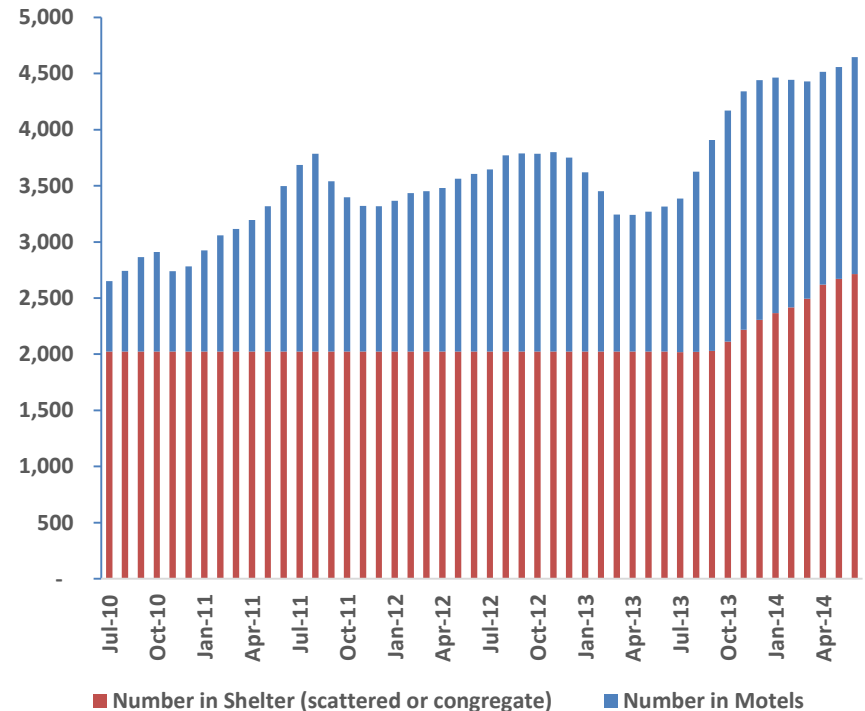
Source: HUD Point in Time Homelessness Estimates



While utilization of Emergency Assistance varied from FY2011 to FY2014, the program currently serves over 4,500 families daily, including almost 2,000 families housed in motels.

Massachusetts's program to address family homelessness ("Emergency Assistance", or "EA") is in crisis. As of June 2014, there were, on average, 4,647 families served by the EA program each night. Of these families, 1,934 families were housed in motels. While overall EA usage is at record levels, the number of families in motels is down 9 percent from the peak in December 2013 (2,134 families) because the state has increased the number of shelter units under contract by 35 percent (696 units) since July 2013.

The introduction of the HomeBASE program in the fall of 2011 diverted some families from EA, resulting in a decline during the last months of 2011, but usage of EA again increased during 2012. The number of families in EA only began to decline again in December 2012, after the state made a new push to move families out of EA with a combination of new MRVP vouchers and HomeBASE assistance. As a result, the number of families in the EA program declined to 3,241 families in April 2013, after which the number of families again began to increase.



Source: DHCD, Emergency Assistance Program (EA) Monthly Reports

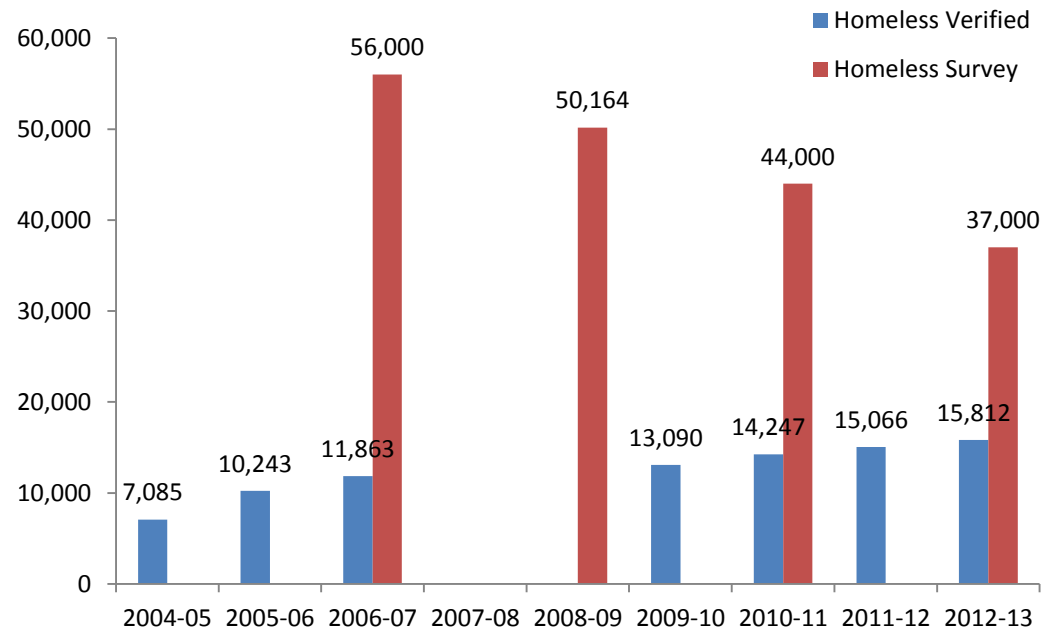


There has been a steady increase in student homelessness population over the last decade.

The Department of Elementary and Secondary Education (DESE) compiles two sets of estimates of homeless students in Massachusetts public schools. One is based on the verification of homelessness of students by school authorities throughout the system. The other set of estimates is based on a random sample survey of high school students; the estimates from the survey are then extrapolated to obtain estimates for all levels.

Taken together they indicate that the total number of homeless students is high by any reasonable standard—between 1.7% and 3.9% of all students in 2012-13. Moreover, given the upward trend in the total number of all homeless families in Massachusetts in recent years, the downward trend in the survey estimates is unlikely to be accurate. Also, an upward trend for Massachusetts is consistent with the upward trend in homeless students across the whole United States during the recent years for which data are available (2010-2011 to 2012-13, 18.05% increase for the nation and 10.74% increase for the State).

Homeless Students in Massachusetts Public PK-12 Public Schools, Estimates by Two Methods, Various Years 2004-05 to 2012-13



Source: DESE and National Center for Homeless Education



Number of homeless students in our public school system has been increasing, while state funding for homeless student transportation has been decreasing.

These transportation costs were not separately accounted for until FY13 when the state created a new line item to help support school districts in covering these costs.

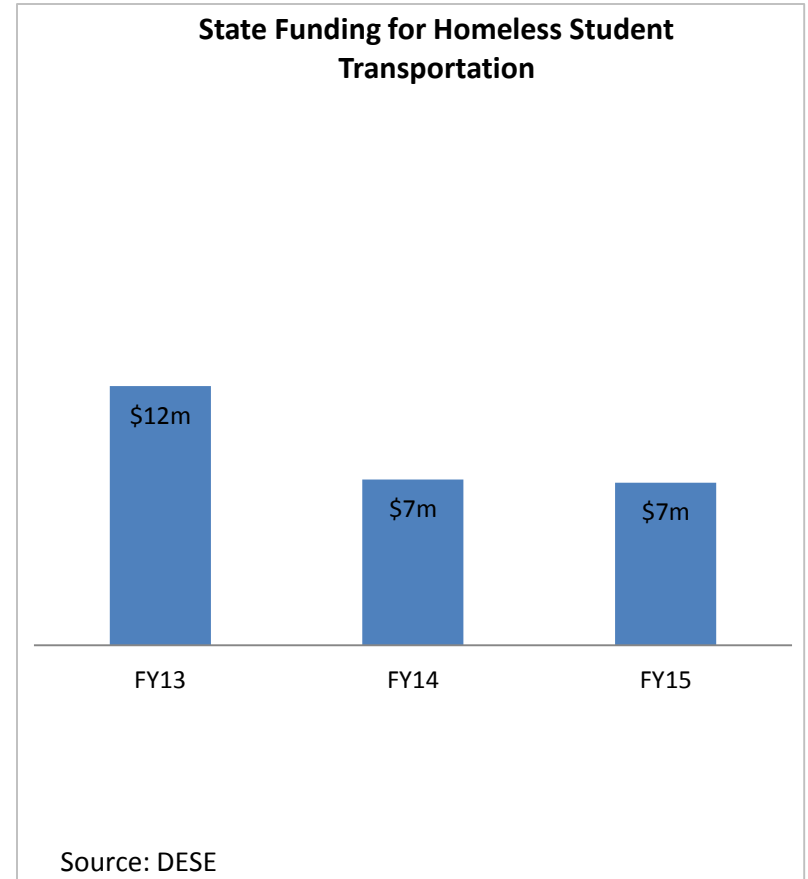
In the first year of the appropriation (FY13) the state almost fully covered the costs.

In FY14, only about half of the school districts' claimed transportation costs were covered by the appropriation.

In FY13 the claimed costs for homeless student transportation were \$12.0 million, the reimbursement rate was 94.1% for a total of \$11.3 million as appropriated, and by 7/3/13 \$9.8 million had been paid out.

In FY14, however, the claimed costs were \$14.5 million, but the reimbursement rate was only 50.8%, for a total of \$7.35 million.

State appropriations only partially reimburse localities for the costs of transporting homeless students to and from school.



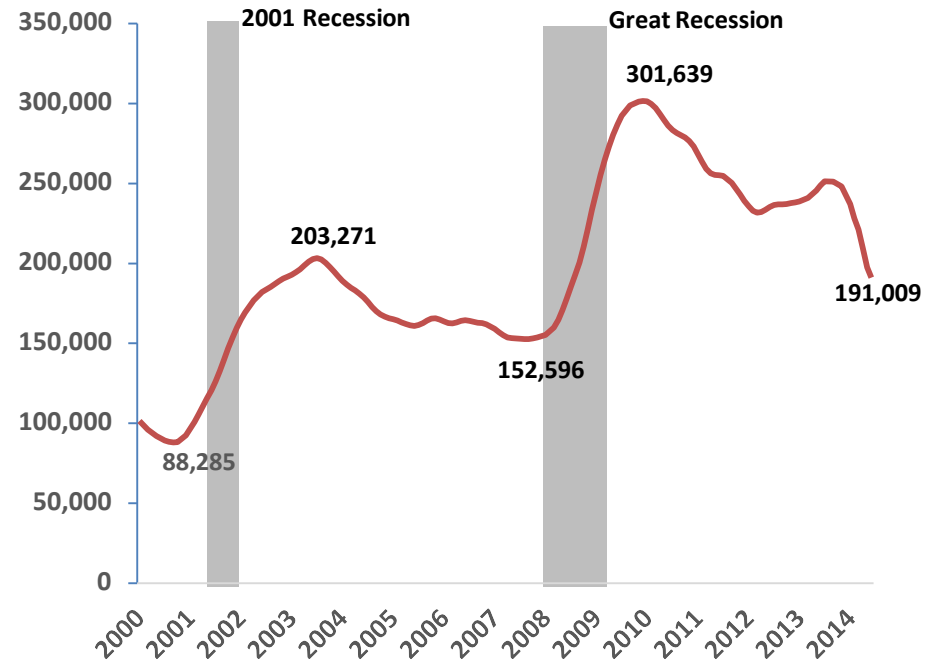
A poor employment picture contributes to family homelessness: unemployment has never declined to pre-2001 recession levels.

While the early 2001 recession was considered relatively mild, Massachusetts unemployment never fully recovered during the early- to mid-2000s.

Before the 2001 recession, unemployment had declined to 88,285 persons. As a result of the recession, unemployment increased 130 percent and peaked at 203,271 in July 2003. During the recovery, unemployment declined to 152,596 in September 2007, still 73 percent higher than the 2000 minimum.

As a result of the Great Recession (2007 to 2009), unemployment increased 98 percent and peaked at 301,639 in December 2009. The recovery has been uneven, but as of June 2014, the number of unemployed had declined to 191,009 persons, still higher than in 2007.

Trends in employment have had a similar pattern, in that Massachusetts never recovered all the jobs lost in the 2001 recession, but as of May 2014, Massachusetts had recovered all the jobs lost in the most recent recession, and now has record levels of employment.



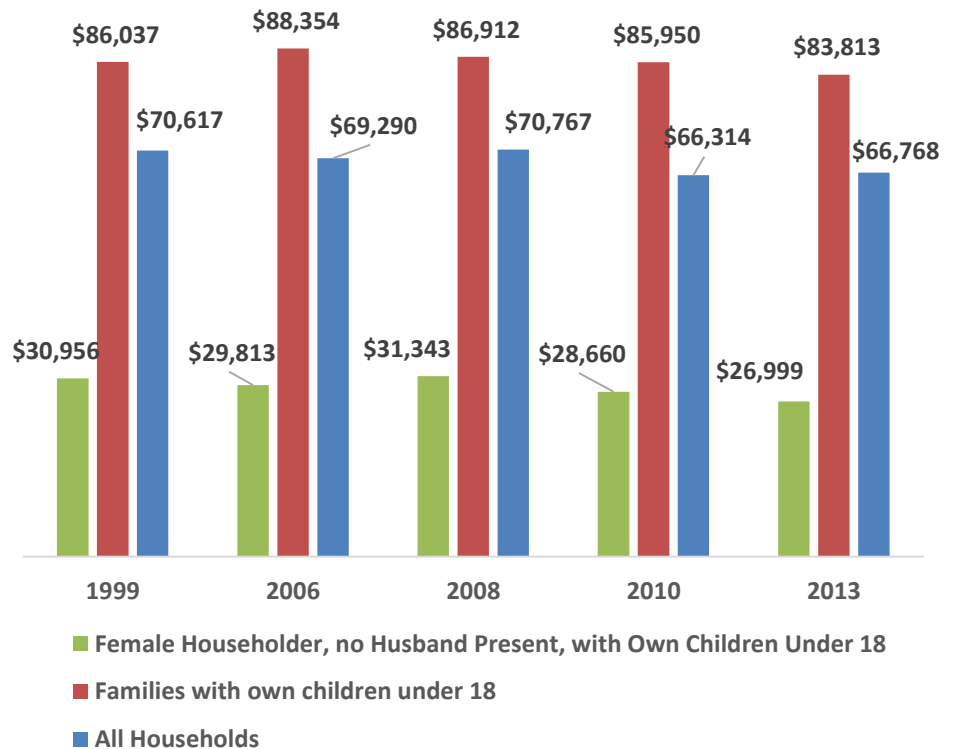
Source: Bureau of Labor Statistics, Local Area Employment Data



Median household incomes have stagnated for families and declined for female headed households with children, contributing to family homelessness.

Median household incomes, for all households, have declined from 1999 to 2013, from \$70,617 in 1989 to \$66,768 in 2013, with the largest decline occurring from 2008 to 2010.

For female householders with their own children under 18, the median household income in 1999 was only 36 percent of the median income for all families with children. From 1999 to 2008, incomes were stagnant for these families, but from 2008 to 2013, there was a 14 percent decline in income for female headed households with children.



Source: U.S. Census Bureau , 2000 Census and 2006, 2008, 2010, and 2013 American Community Survey estimates. All incomes in 2013 dollars.

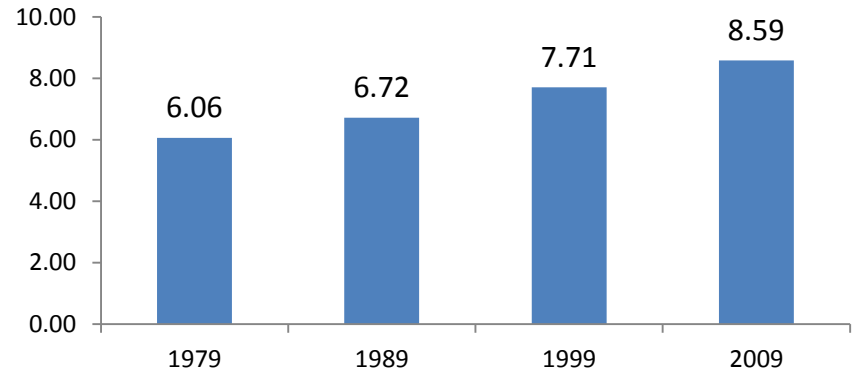
Median household income in Massachusetts is relatively high. Yet, the economic situation and the economic trends present substantial challenges for low-income families.

Economic gains in Massachusetts have been concentrated in the highest income families. In 2008 the median income among the lowest income 20% of families was only 1% higher than in had been in 1979. In his same three-decade period, the median income of the highest income 20% of families rose by 43%. (These figures are adjusted for inflation.)

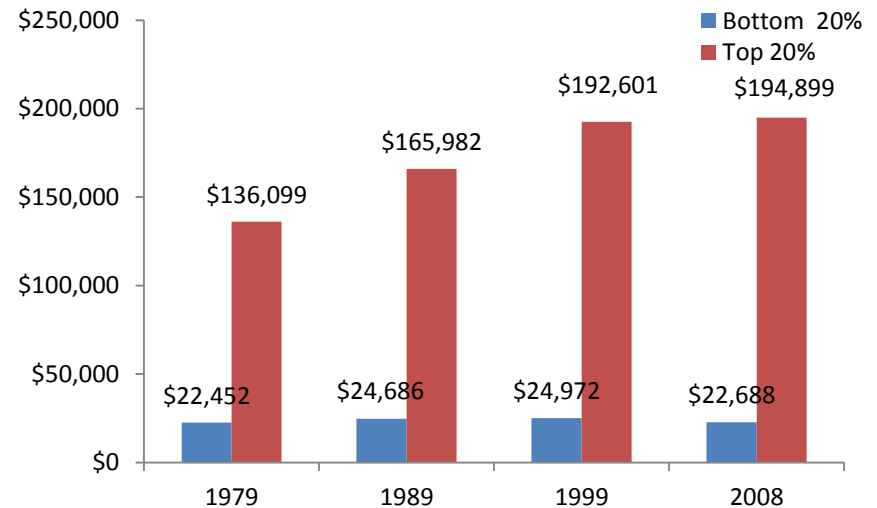
If this trend in the distribution of income continues, the lowest-income families in Massachusetts will not see any real growth of their incomes, even if the state's economy continues to grow. In addition they will increasingly be left out as standards are set by the rising incomes of other segments of society.

Being “left out” is likely to be especially severe in the housing market as the demand for living space by high-income families dominates new construction. As high income families bid up the price of housing, middle income families are likely to be forced into competition with low-income families for the remaining housing stock. Low-income families will increasingly experience the impact of gentrification and rising housing instability. At least in the short run, pressure on the housing market will be increased by the slump in the construction of new units since the Great Recession. Housing starts in Massachusetts since 2009 have remained less than half of what they were in the 2000 to 2006 period.

Massachusetts: Ratio of Median Family Income, Top 20% to Bottom 20%, 1979, 1989, 1999, and 2009



Massachusetts: Median Incomes of Families in the Bottom 20% and Top 20% in 2009 dollars, 1979, 1989, 1999, and 2008



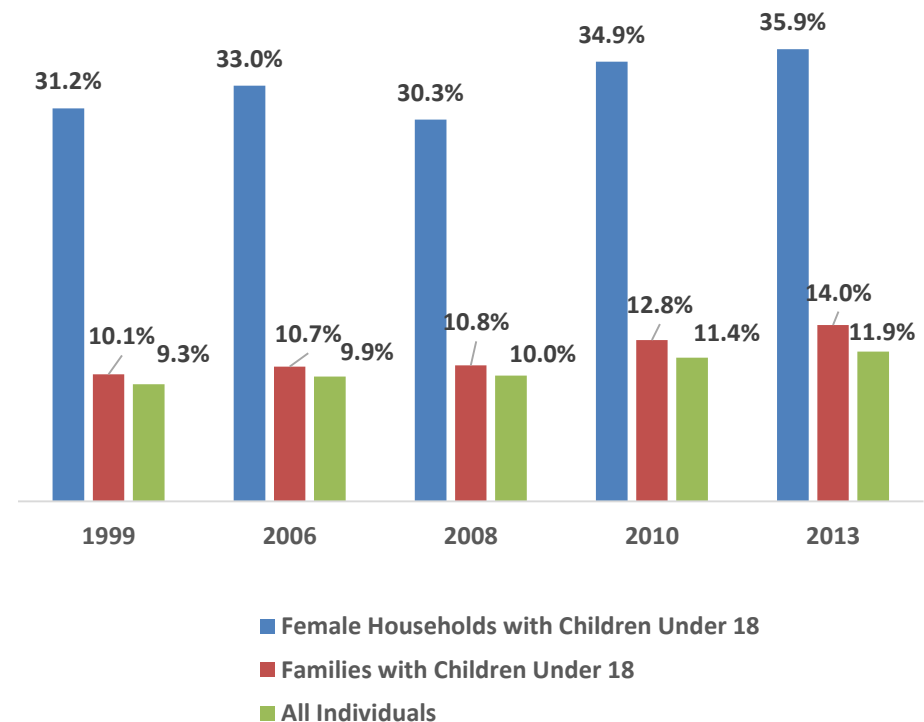
Source: U.S. Census, as reported by Goodman and Nakosteen, MassBenchmarks, 2011, No. 2.



Family poverty has increased, increasing the number of families eligible for Emergency Assistance.

Poverty, for both individuals and families with children (under 18) has increased in Massachusetts since 1999, with significant increases since 2008. While the overall poverty rate for Massachusetts increased from ten percent in 2008 to 11.9 percent in 2013, the poverty rate for families with children increased from 10.8 percent to 14.0 percent over the same period.

More worrying is the poverty rate for female householders with children, which was already very high, at 30.3 percent, in 2008, and increased to 35.9 percent in 2013. As a result, the number of such households has increased from approximately 60,000 in 2008 to 72,000 in 2013. Given the 115 percent of poverty rate standard for EA eligibility, this means at least an additional 12,000 households meet the income eligibility guidelines (though not necessarily other eligibility criteria).



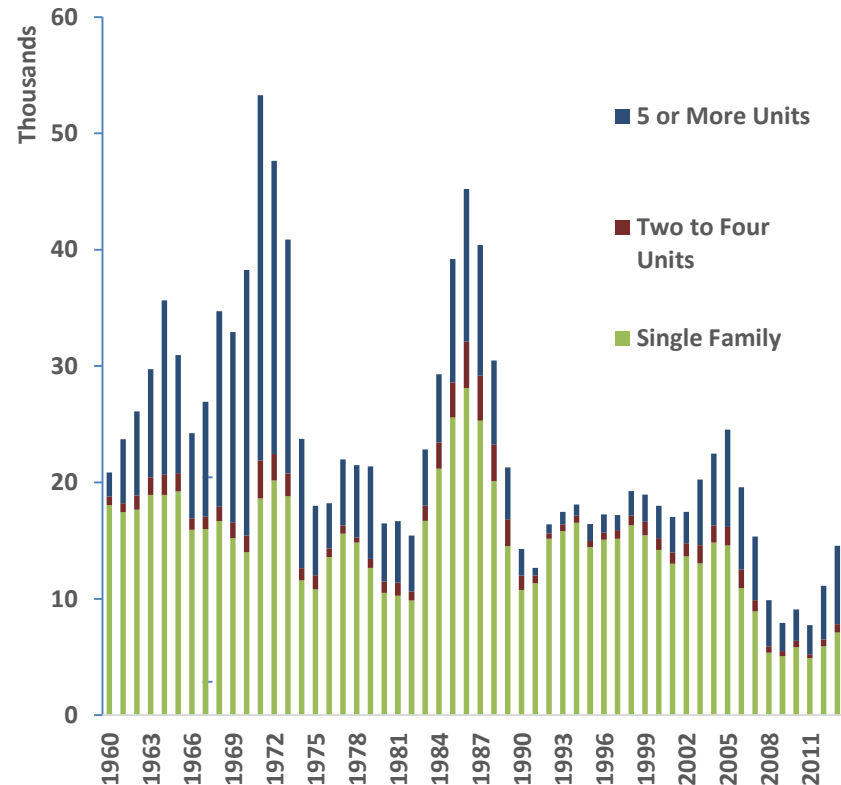
Source: U.S. Census Bureau , 2000 Census and 2006, 2008, 2010, and 2013 American Community Survey estimates.

The production of new housing units in Massachusetts has slowed since the 1980s.

Since 1960, housing production in Massachusetts peaked in 1971, with over 53,000 new units of housing. After a sharp decline in the mid-1970s, production recovered to over 45,000 units in 1986. Housing production declined again with the late 1980s/early 1990s recession, and has truly never recovered. Housing production has only exceeded 20,000 units a year in the years 2003 to 2005, and declined to 7,941 in 2009.

Housing production is on the increase, with 14,569 units produced in 2013, and in good news for renters, a high percentage of the units (46 percent) were in buildings with five or more units.

In 2001, a report by Northeastern University suggested that Greater Boston needed to produce more than 15,000 units a year in order to meet growth and begin to address the tight housing market. In only one year (2005), has this goal been met.



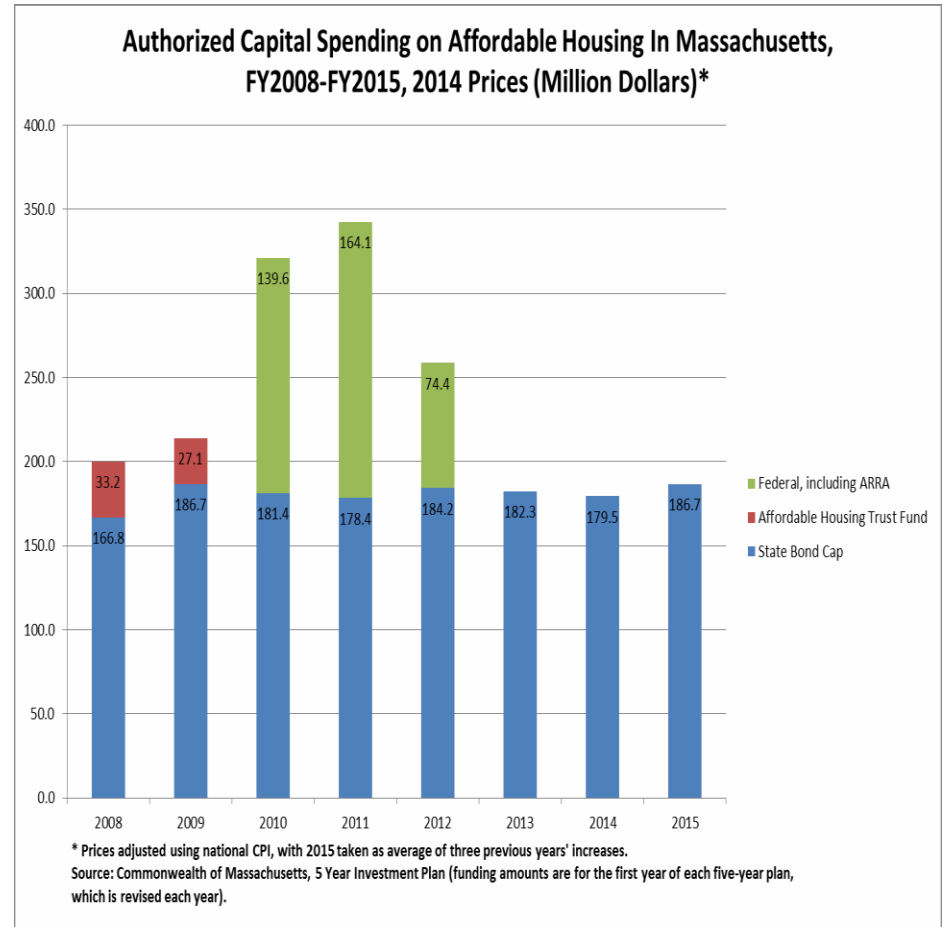
Source: US Census Bureau, Building Permit Survey



State government allocation for capital spending on affordable housing in Massachusetts remains below Great Recession levels.

Federal funds, which are largely (if not entirely) funds from the American Recovery and Reinvestment Act of 2009 (ARRA), increased available funds in for affordable housing in Massachusetts a great deal in the FY2010-FY2012 period. However, the levels of available inflation adjusted funds in FY2014 and FY2015 are still below the levels of 2008 and 2009.

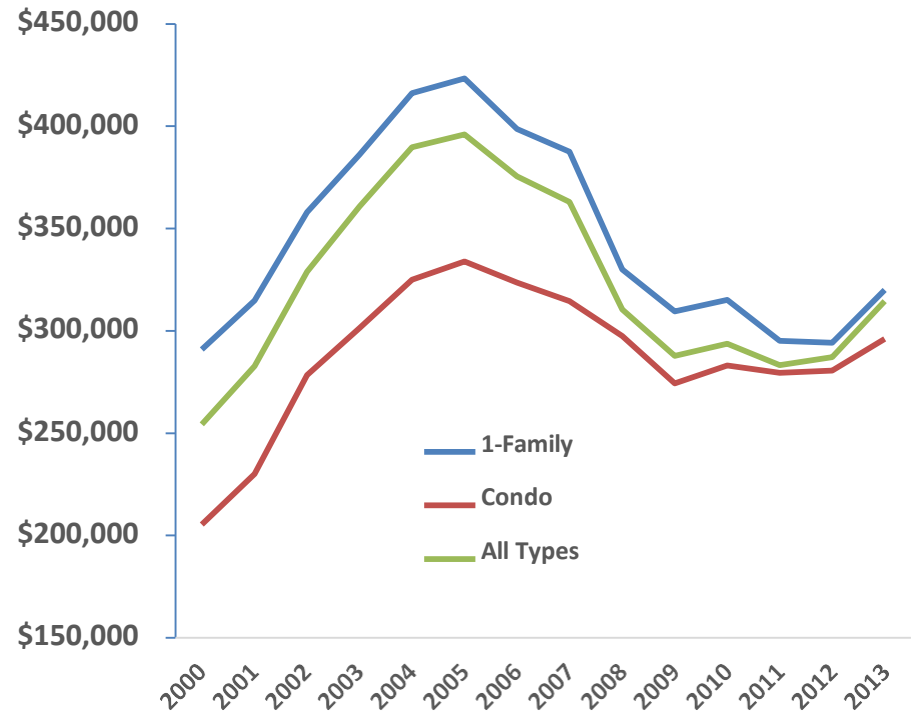
(It should be noted that the inflation adjustment used to create the data in the figure is not ideal. An index of construction prices would be appropriate but was not available. Instead, the national CPI has been used to adjust for inflation. However, because inflation has been relatively mild in this period, the resulting figures should not be misleading.)



As a result of low housing production levels, Massachusetts median sales values increased substantially during the early- to mid-2000s.

For low-income households, homeownership is largely out of reach, but real estate prices remain a useful measure of overall trends in housing costs, and costs of multi-family properties, such as the classic New England triple-decker, can feed directly into rental costs.

Adjusted for inflation (2013 dollars), the Massachusetts median home price (all types) increased 56 percent from 2000 to a peak of \$396,015 in 2005. Prices declined 27 percent from 2005 to 2009, and though a recovery has begun, as of 2013, prices remained 21 percent below the 2005 peak.



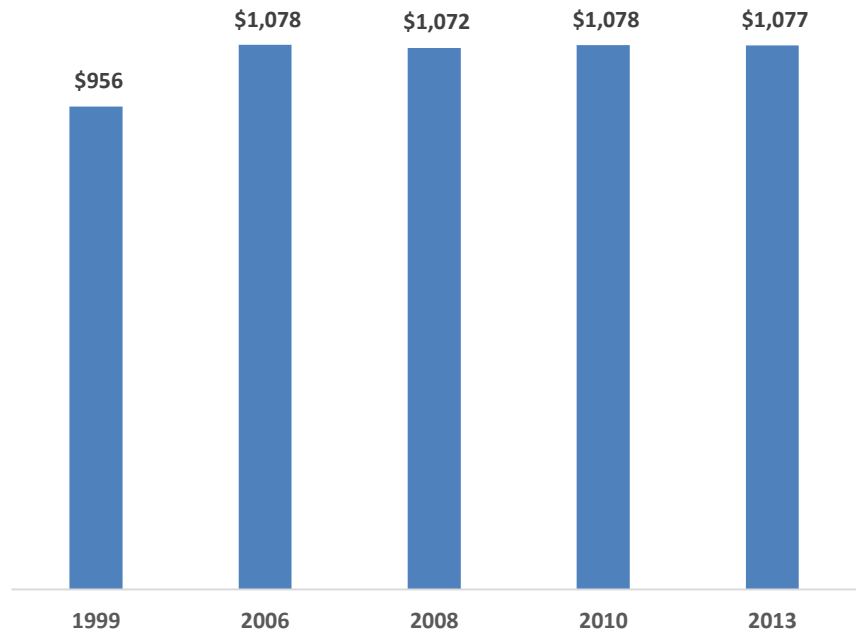
Source: The Warren Group. All values are in 2013 dollars.



Median rents also increased dramatically in Massachusetts during the early-to mid-2000s.

Statewide data on rents reveal that, when adjusted for inflation, median monthly rents increased 13 percent from 1999 to 2006.

Unlike sales prices, the recession did not provide relief to rents, varying only a few dollars a month from 2006 to 2013.



Source: U.S. Census Bureau , 2000 Census and 2006, 2008, 2010, and 2013 American Community Survey estimates. All values in 2013 dollars.



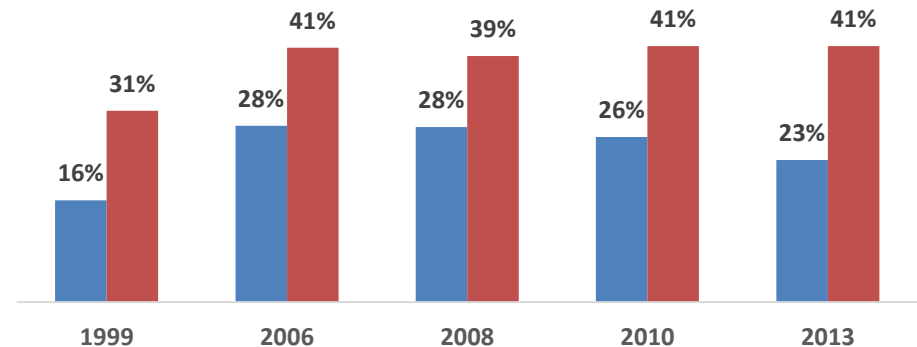
The rising cost of housing has increased the percent of households who are cost burdened.

From 1999 to 2006, the percent of households who were housing cost burdened (paying more than 35 percent of income to housing), increased 12 percentage points for homeowners and ten percentage points for renters.

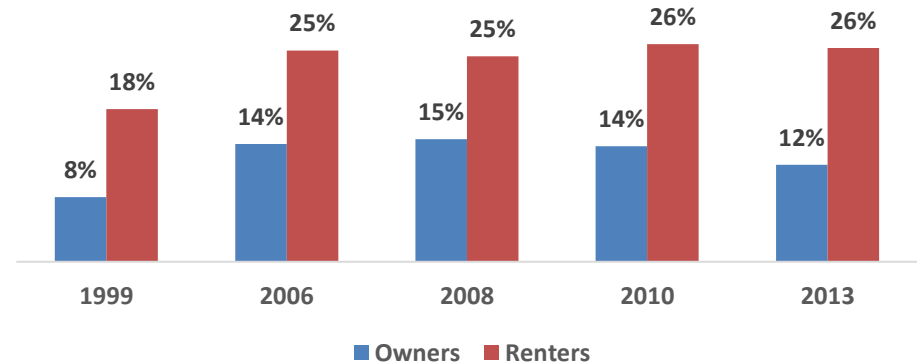
While there has been some improvement for homeowners since the recession, the same can not be said for renters. As of 2013, 41 percent of all Massachusetts renters remained cost burdened.

Those paying more than 50 percent of their income for housing are considered severely cost burdened. Again, there was a steep increase from 1999 to 2006 in the percentage of such households (a seven percentage point increase for renters), and as of 2013, 26 percent of renters were severely cost burdened.

Households Paying More than 35% of Income to Housing



Households Paying More than 50% of Income to Housing



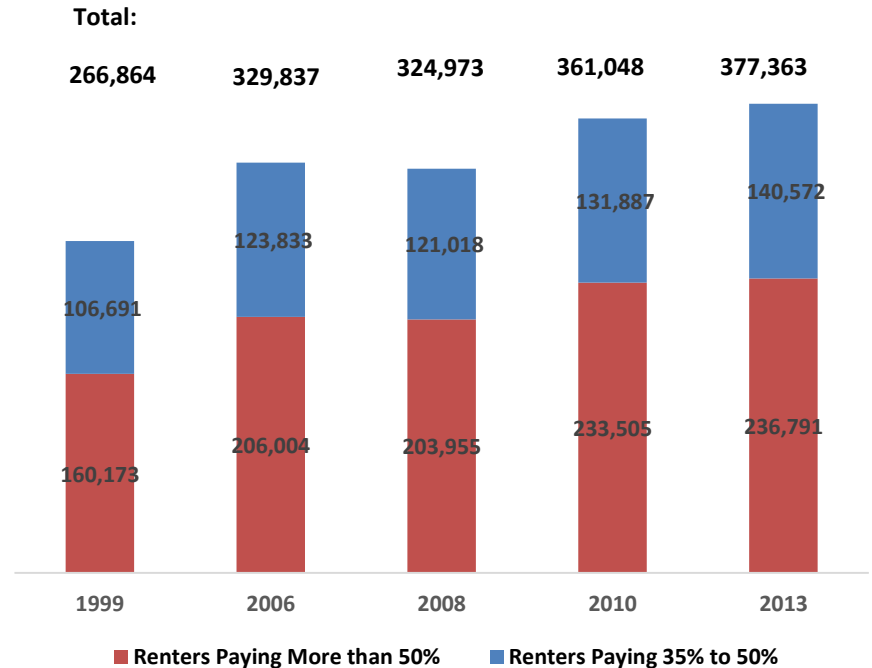
Source: U.S. Census Bureau , 2000 Census and 2006, 2008, 2010, and 2013 American Community Survey estimates.



The number of renter households with a cost burden increased by over 110,000 households from 1999 to 2013.

From 1999 to 2006, the total number of renter households who were housing cost burdened (paying more than 35 percent of income to housing), increased 24 percent. With the onset of the recession, there was a one percent decline from 2006 to 2008, but since that time, there has been an 16 percent increase in the number of cost burdened renters.

Over the entire 1999 to 2013 period, the number of cost burdened renters increased by 110,499 households. For households with a severe cost burden (paying more than 50 percent of income to housing) the number increased by 76,618 households from 1999 to 2013.



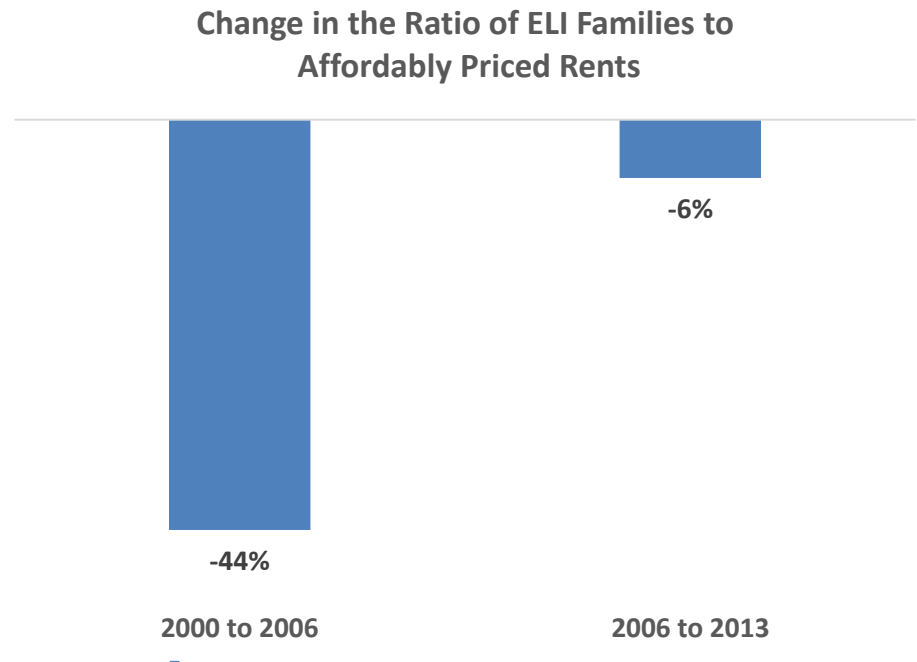
Source: U.S. Census Bureau , 2000 Census and 2006, 2008, 2010, and 2013 American Community Survey estimates.



Families with the lowest incomes have been squeezed dramatically.

From 2000 to 2006, the number of families with incomes less than 30 percent of the Massachusetts median family income increased eight percent, Combined with rising rents, the ratio of ELI families to affordably priced units declined 44 percent.

From 2006 to 2013, largely due to the recession, the number of units affordable to an ELI family increased, but the number of ELI families increased 14 percent, creating further decline in the availability of affordable units.



Source: US Census Bureau, 2000 Census; 2006 and 2013 American Community Survey. Affordable rents defined as 35% of income for the household at 30% of the Massachusetts Median Family Income.

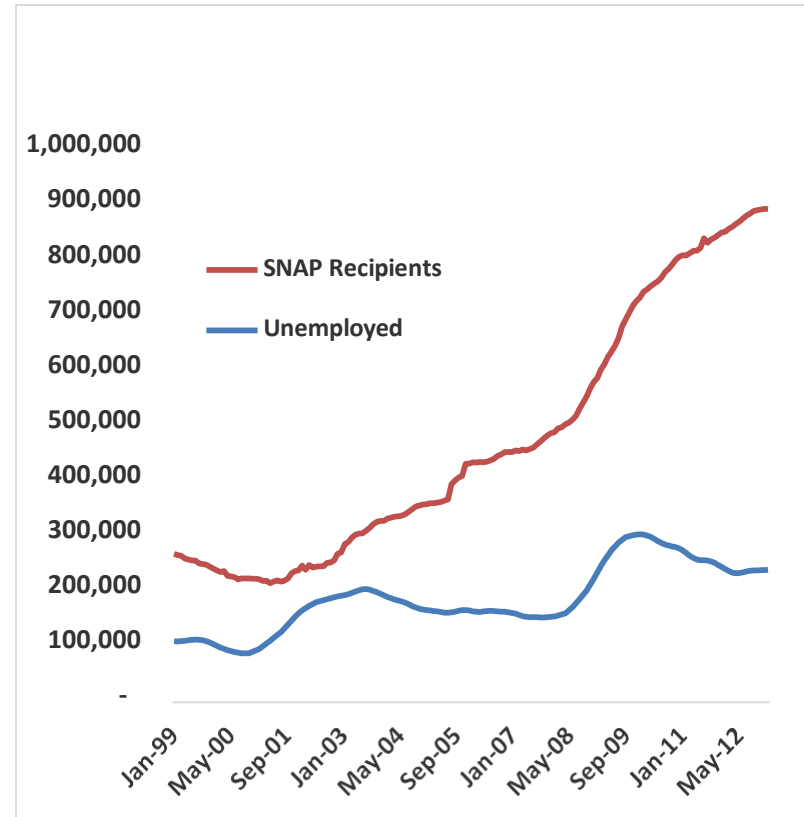


As with Emergency Assistance, SNAP (food stamp) usage has been on the rise, even during the economic recovery.

The usage of SNAP (Supplemental Nutrition Assistance Program, formerly known as Food Stamps), is another measure of income distress.

As with the demand for EA, the number of SNAP recipients was already on the increase before 2008, but with the onset of the Great Recession, the number of SNAP recipients increased 72 percent from 514,298 participants in June 2008 to 885,564 participants in December 2012. While some of this increase can be attributed to the poor economy, concerted and effective outreach efforts by advocates may also have contributed to the increase, by enrolling those who were income eligible but not enrolled.

This data is presented alongside the unemployment data to show that while unemployment eased through 2011 and 2012, the number of SNAP participants continued to increase, a similar pattern as for EA usage.



Source: US Department of Agriculture, US Department of Labor



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CHARACTERISTICS OF EXTREMELY LOW INCOME FAMILIES IN MASSACHUSETTS

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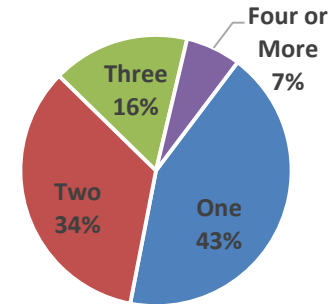
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As of 2012, approximately 137,000 Massachusetts families with children have incomes less than 30% of Area Median Income and are considered extremely low income.

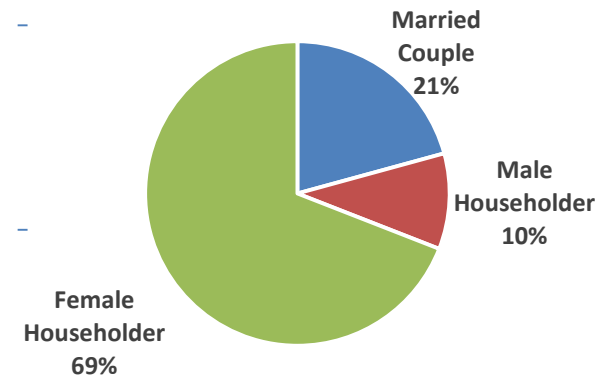
The median household size for these families is three persons. Forty-three percent have only one child, and an additional 34 percent have two children.

Females are the head of household for 69 percent of these families, 21 percent are headed by a married couple, and 10 percent are headed by males.

Number of Children



Family Type

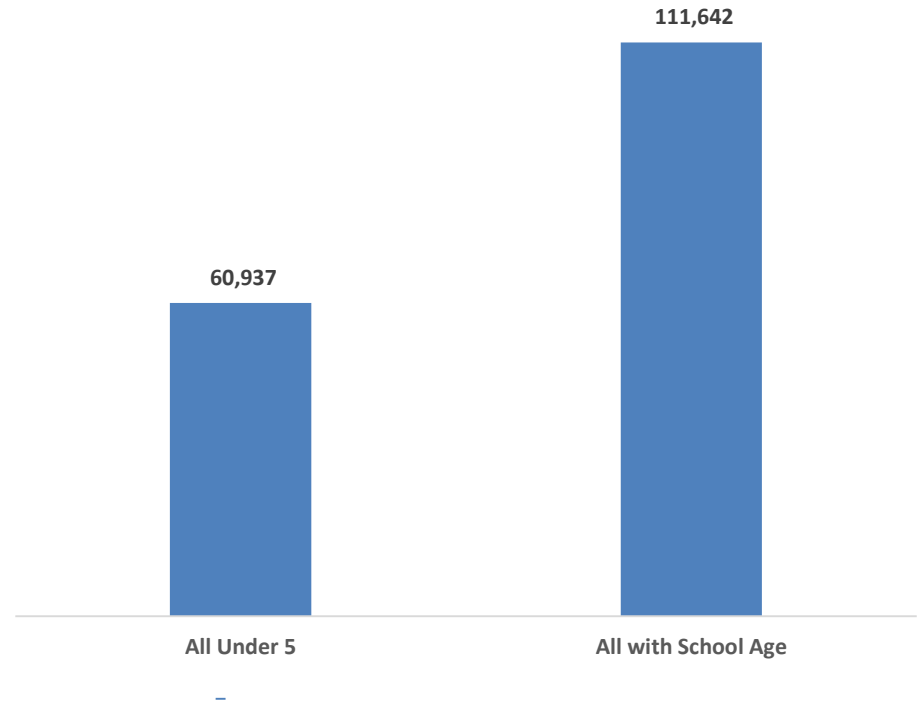


Source: HUD Income Limits and US Census Bureau, 2012 PUMS data. PUMS geographies (PUMAs) do not conform to HUD Fair Market Areas exactly, so each PUMA was assigned to a HUD area depending based on where the majority of the PUMA's population was located.

Over 170,000 children live in extremely low-income families

Extremely low-income (ELI) families include almost 112,000 school aged children and 61,000 children under age 5.

Given that many households contain children of different ages, 82 percent of ELI families have school aged children, and 45 percent have children under age 5.



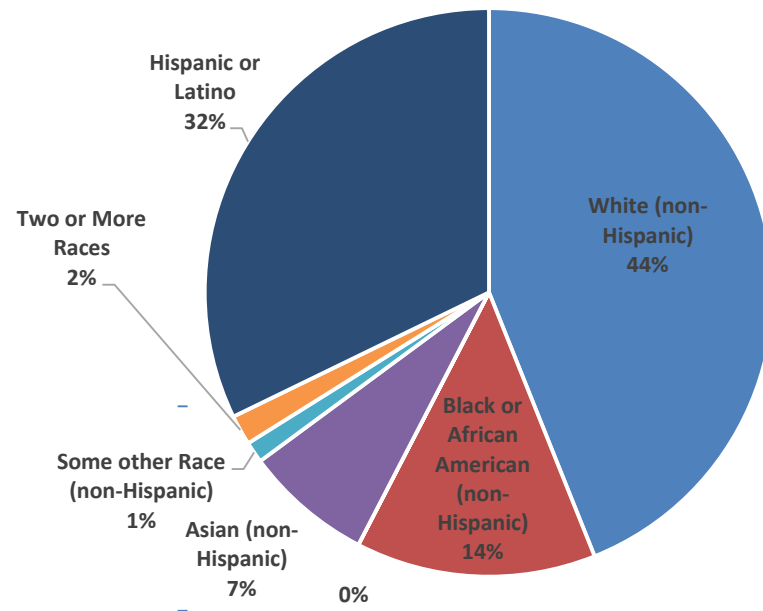
Source: US Census Bureau, 2012 PUMS data.



ELI families are racially and ethnically diverse.

Extremely low-income (ELI) families are racially diverse, with families headed by white, non-Hispanics having the largest percentage (44 percent), followed by Hispanics or Latinos (32 percent) and Blacks or African Americans (14 percent).

Families of color are over-represented with 56 percent of the families, compared to 22 percent of all families in the state.

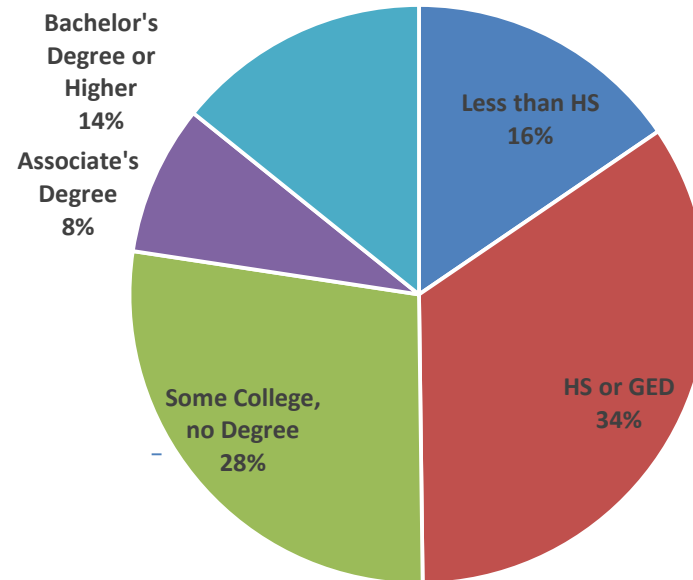


Source: US Census Bureau, 2012 PUMS data.

ELI families have low levels of educational attainment

The heads of ELI families have relatively low levels of educational attainment, as 16 percent have not completed high school, and 34 percent have only a high school diploma or a GED.

Only 14 percent have completed at least a Bachelor's Degree, compared to 42 percent of all families.

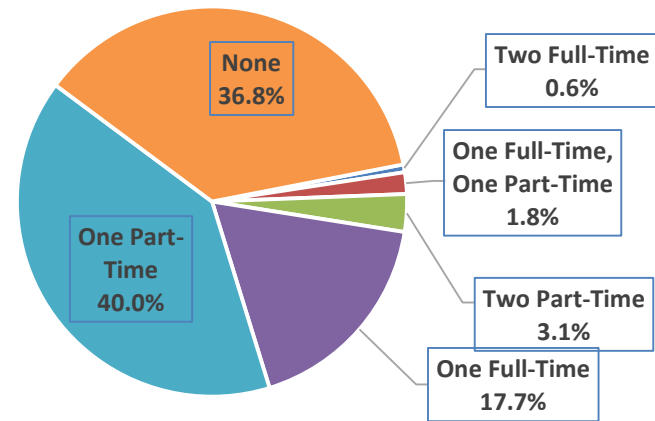


ELI families have low levels of work, but 71 percent have received some wage income in the previous year

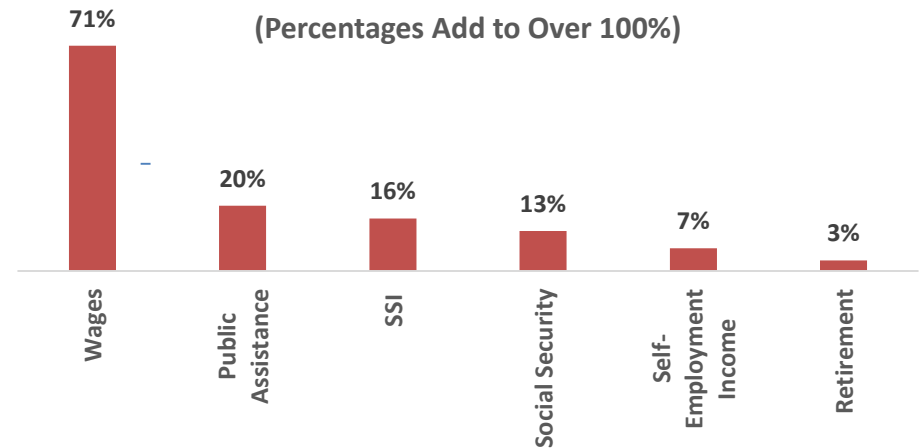
ELI families also have low levels of work. Less than one percent of ELI families have two full-time jobs, while 40 percent have one part-time job, and 37 percent have no job.

Despite the low levels of work, 71 percent of families received wage income at some time during the previous year. Twenty percent received public assistance and 16 percent received SSI.

Number of Jobs Per Household



Sources of Income
(Percentages Add to Over 100%)



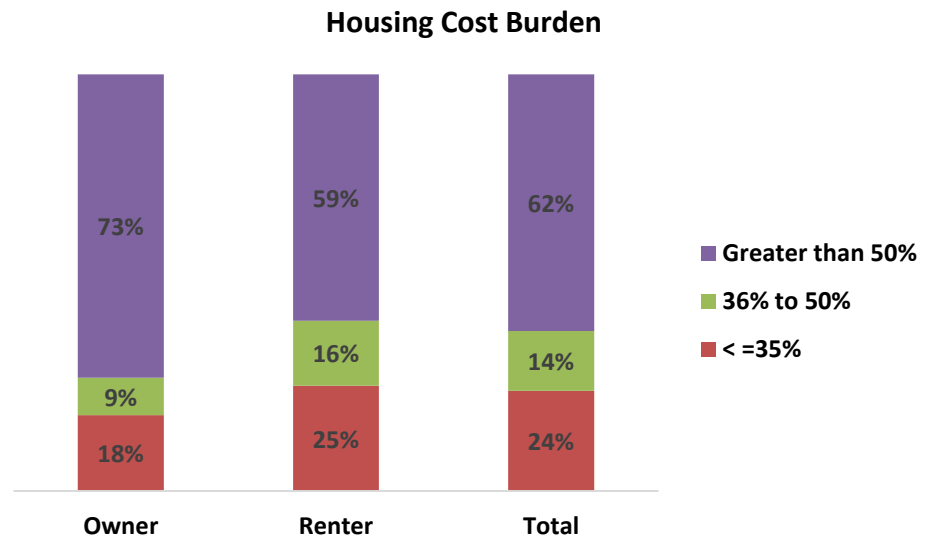
Source: US Census Bureau, 2012 PUMS data.

Forty-five percent of ELI families live in Greater Boston, and ELI families are severely rent burdened.

Forty-five percent of ELI families live in Greater Boston (the Boston-Cambridge-Quincy MSA), and 78 percent of ELI families come from just five parts of the state, with Greater Springfield having the second highest percentage (14 percent).

In addition, ELI families have high housing cost burdens. Only 24 percent are paying less than 35 percent of their income to housing, and 62 percent are paying more than 50 percent of their income to housing.

HMFA/Area	Percentage
Greater Boston	45%
Springfield	14%
Worcester	8%
Lawrence	7%
Fall River	5%



Source: US Census Bureau, 2012 PUMS data.



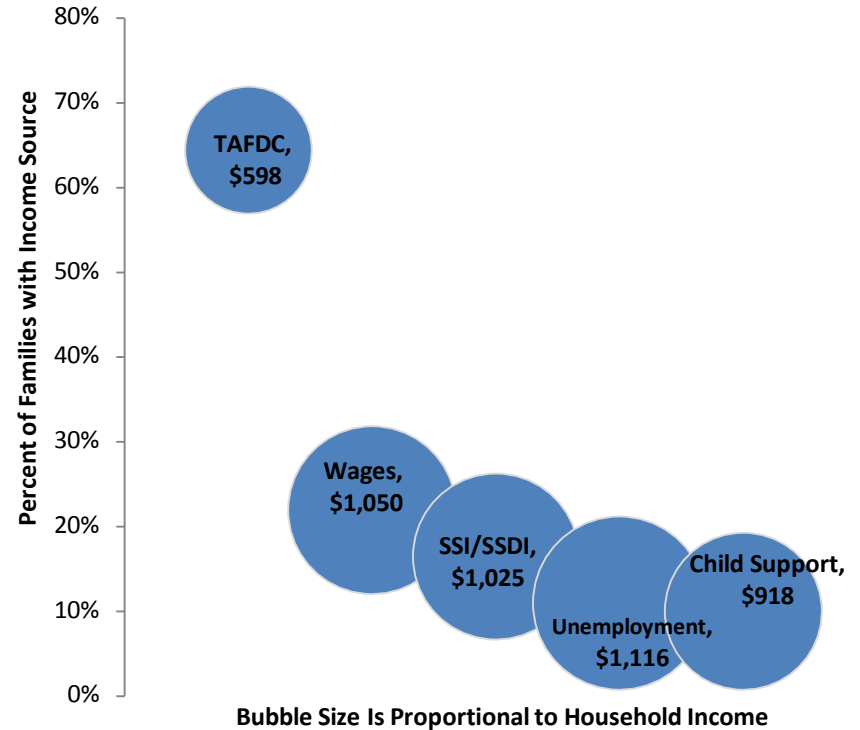
Homeless families are likely to have incomes insufficient to support market rents.

Data from DHCD on EA clients is not yet available, but evidence from a 2012 UMass-Boston/Metropolitan Boston Housing Partnership Report provides insight to the demographics of families accessing Emergency Assistance.

This report looked at families who had been re-housed with federal Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds. All families had been on Emergency Assistance.

Of these families, 64 percent had TAFDC income, at an average of \$598 monthly (\$7,176 annually). Even for those who were employed (22 percent), the monthly average wage was \$1,050 (\$12,600 annually), insufficient to support market rents.

In a 1997 report on family homelessness in Boston, 83 percent had received TAFDC in the previous year, while 36 percent reported SSI/SSDI.

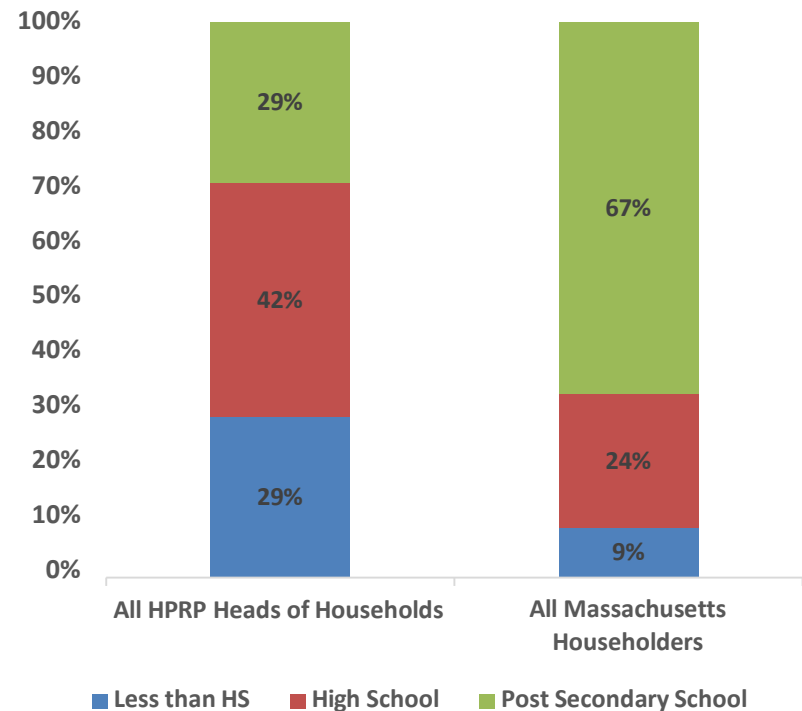


Source: HPRP participant data, 2012.

Heads of households accessing Emergency Assistance have low levels of education attainment, as only 29 percent have any form of post-secondary education.

According to data from the 2012 HPRP report, while 67 percent of Massachusetts' heads of households have had some post-secondary education, the same is true for only 29 percent of the Emergency Assistance eligible families in the HPRP program.

Educational levels are somewhat higher than those found in a 1997 report on family homelessness in Boston, where 42 percent of the heads of households had not completed high school or a GED, while 37 percent had.

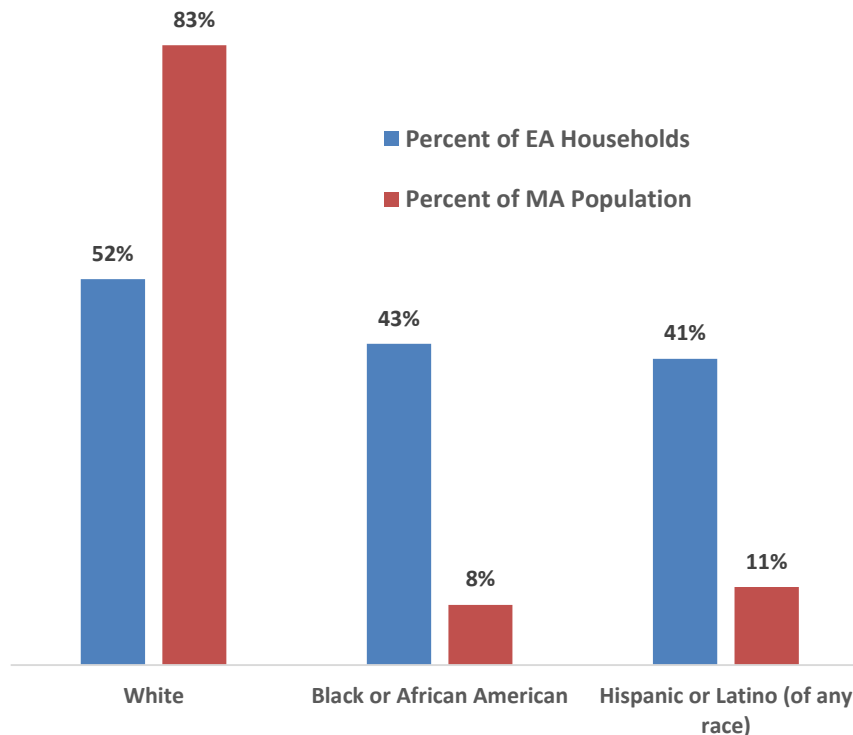


Source: HPRP participant data, 2012.

Households of color are over-represented among families accessing Emergency Assistance.

Of the heads of households accessing EA who report a race and ethnicity, 43 percent are Black or African American, compared to the statewide population, where eight percent of residents are Black or African American.

Those identifying as Hispanics or Latino make up 41 percent of EA households, and 11 percent of the state's population.



Source: DHCD, Head of Households, EA participants as of 8/18/2014; 2013 American Community Survey estimates

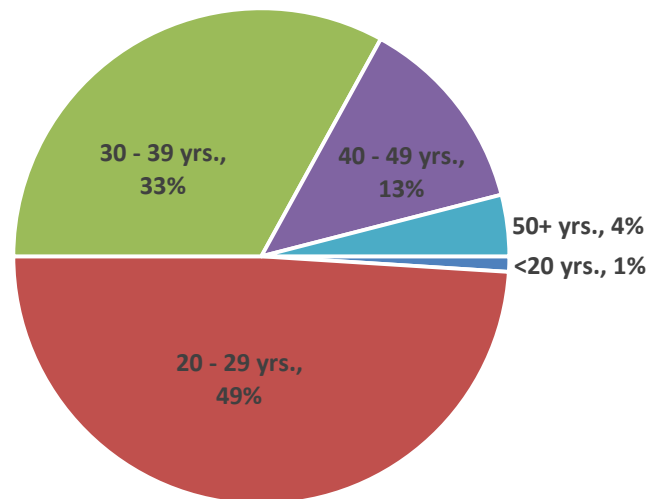


Among families accessing EA, 49 percent of the heads of households are aged 20 to 29, and 90 percent are headed by females.

As of the second quarter of FY2014, while those 20 to 29 make up 49 percent of heads of households, the overall age distribution of households is diverse, with an average of 31 years old.

Additional family characteristics at program entry include the fact that 90 percent of the households were headed by a female, 14 percent had a family member with a disability, and nine percent of the heads of household were pregnant. This is little changed from a 1997 report on families experiencing homelessness in Boston, where 87 percent were female-headed.

The average household size was three, and the most frequent household sizes were two-person households (37 percent) and three-person households (30 percent).



Characteristics EA Households	
Average Number of Family Members	3.0
Average Age of Head of Household	31.1
Female Head of Household	90.2%
Pregnant Head of Household	9.3%
Family Member with a Disability	14.3%

Source: DHCD, EA participants Q2 FY2014

Children 5 years and younger make up nearly half of the total child population in the State's EA system—56% in 2010 and 48% in 2014.

In May of 2010, 5,763 children under 18 years of age lived in a state shelter/motel or hotel.

In October 2014, the number of children of that same range who lived in state shelters/motels or hotels totaled 8,930.

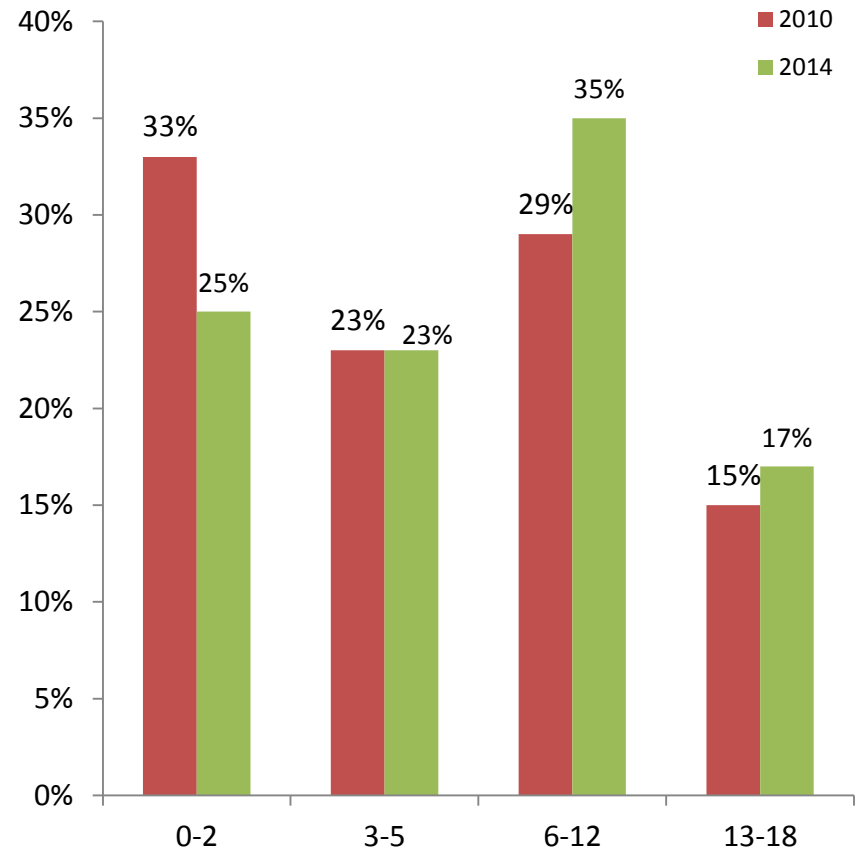
There has been a 55 percent increase in the number of children living in state shelters/hotels/motels, in a given month, between 2010 and 2014.

Children 5 years and younger made up nearly half of the total child population in the State's EA system—56% in 2010 and 48% in 2014.

In the 2010 point in time count, toddlers—children 2 years and under made up the largest percentage of the total child population in the state's EA system.

In 2014, this percentage decreased to 25% of the total, with children in the age range 6-12 making up the largest percentage—35%.

Breakdown of Children in the State EA System by Age Range
(Point-in-time Counts, May 2010 and October 2014)



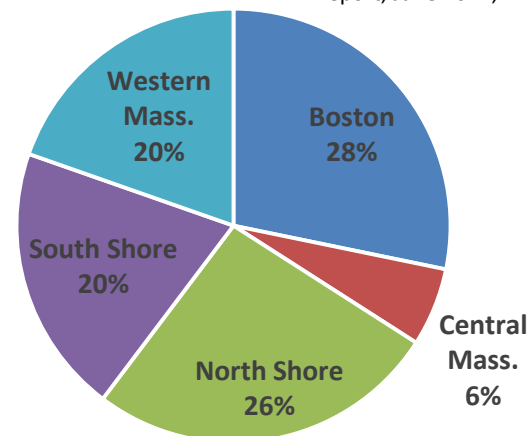
Source: DHCD, 2014; Beacon and motel data, 2010; records missing children's age data were excluded from data given to research team



Of the 6,167 families entering EA Shelter/Motels in FY2014, 28 percent entered through the Boston regional office.

Source: DHCD EA Monthly Report, June 2014;.

Families apply for EA through any one of twenty offices across the state. While more families access EA through Boston than any other office, on a regional basis, the North Shore offices, combined, serve almost as many families (26 percent). An equal percentage (20 percent) enter through the Western Massachusetts and South Shore regions, while only six percent enter through Central Massachusetts offices .



Additional data provided by DHCD highlights the concentration of need in a small number of communities, as 65 percent of families entering EA came from just 10 cities, which combined have 23 percent of the state's population. Twenty-eight percent of families originated in Boston, even though the city represents only 9.7 percent of the state's population. Among these ten cities, Springfield and Worcester are the most over-represented, with rates of EA usage that are almost five times the statewide rate.

Community of Origin	% of Families Entering EA	% of State Population
Boston	27.6%	9.7%
Springfield	10.3%	2.3%
Worcester	7.4%	2.7%
Brockton	4.9%	1.4%
Lynn	3.0%	1.4%
Holyoke	2.9%	0.6%
Lawrence	2.4%	1.2%
Lowell	2.2%	1.6%
Chelsea	2.0%	0.6%
New Bedford	1.9%	1.4%

Source: DHCD, families entering EA from 9/17/2012 to 9/6/2013; 2013 American Community Survey population estimates

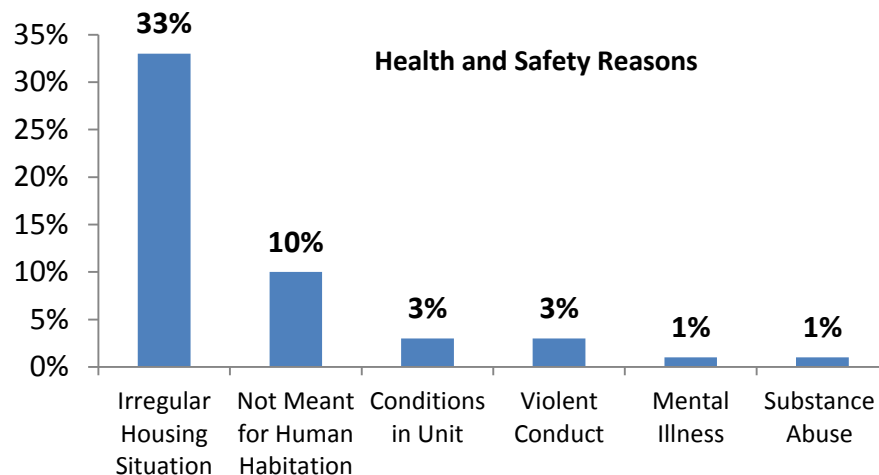
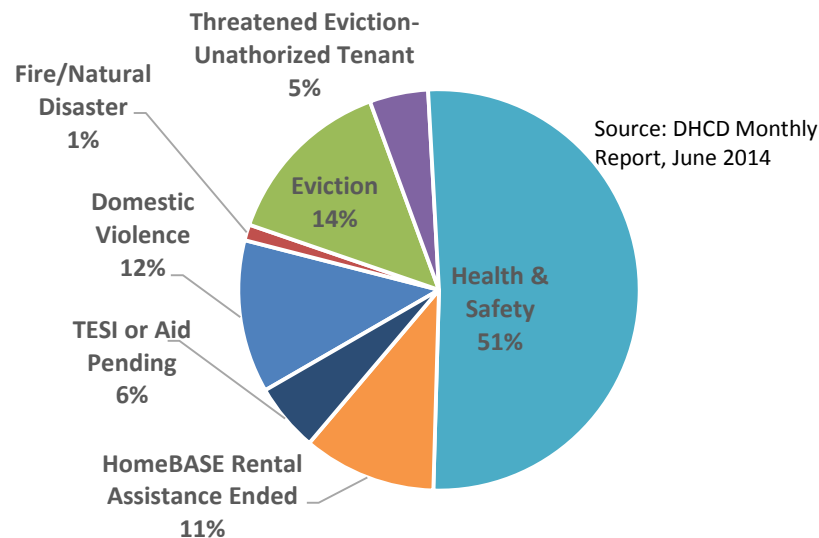


Families on Emergency Assistance were most likely to have entered the system after a determination that their current habitation was unhealthy and/or unsafe.

According to data from DHCD, over FY 2014, 51 percent of new entrants to the EA program entered due to health and safety issues. Being evicted was the second most important reason, at 14 percent, followed by domestic violence, at 12 percent.

Eleven percent entered the system with a HomeBASE waiver, which means that families who had accessed HomeBASE funds instead of entering shelter needed to access EA again after those HomeBASE resources had been exhausted.

Health and safety issues can be broken into smaller categories, with an irregular housing situation accounting for 33 percent of all entries, followed by ten percent who were living in a situation not meant for human habitation.



Front-line workers and families who participated in focus groups described seeing a definite shift in the homeless population in the last couple of decades.

Homeless families are perceived as having gotten larger since the 1980s. Now, it is not unusual to see placements with 5-6 children.

More so now than ever before, there are more 2 parent families entering the system. In these families, both parents are working and are on the border of poverty, instead of entrenched in it; they ended up homeless because of job loss or cuts in hours.

Waitlists for housing are much longer now than in the past. Previously, young mothers with children entered the EA system as a way to enter adulthood, because their mothers kicked them out and after a few weeks, they usually got Section 8 and left. Families are staying longer in shelters now. Homelessness is a new experience for many families in the system.

Families now have human capital assets, which is something that was unusual for front-line staff to see a few decades ago. This suggests to them that the larger economic downturn continues to be a large part of the homelessness increase in the state.

Family needs seem more extreme now. Families are sicker. Illness range from undiagnosed mental health issues to physically acute illnesses, such as cancer.

It is common for families to experience new health problems just from living in the shelter; lice, scabies, Mercer disease, hand foot and mouth disease, asthma bronchitis, depression, OCD, PTSD, eating disorders, etc. are common. Often times, adults and children in families experience multiple issues at the same time.

Physical conditions in the shelters compound the cycle of health problems. Mold, mildew, cockroaches, lack of exercise space and, at times, loud and unruly behavior from others, make it very hard to raise a healthy family.

Homelessness was described as “a series of traumatic events” for families. Family might enter the system healthy, but they come out with a health issue.

Disclosure of domestic abuse is more open now. Many domestic violence victims are forced into the EA system because there are not enough domestic violence beds.



The State has taken a number of steps to reduce EA usage, including housing vouchers, prevention, short term rental assistance, and eligibility restrictions.

1987: State sets aside 2,400 housing vouchers from the 707 (now MRVP) program to address family homelessness.

1994: Homelessness Intercept Program (HIP). The HIP provided direct payment assistance with overdue utility bills or overdue rent, or providing a mediator to work with individuals and landlords to resolve disputes.

2000: Housing Assistance Program (HAP) establishes network of agencies to provide homelessness prevention, housing stabilization services, and housing search assistance to low-income families.

2005: Residential Assistance for Families in Transition (RAFT) program launched, providing up to \$3,000 to a family in a given year. Funds can be spent on both rent and related expenses, including back utility expenses.

2006: “Shelter to Housing” gives 200 families time limited rental assistance of up to \$6,000.

2006: “Tool Box” launched to provide up to \$2,000 to both prevent homelessness and assist families moving out of shelter.

2009: “Flex Funds” are introduced, providing up to \$12,000 in one-time rental assistance.

2009/2010: Federal Homelessness Prevention and Rapid Re-Housing Program (HPRP) launched. Families in motels and shelters received short-term rental assistance. Program results in temporary decline in EA usage, and families are successful in maintaining their housing.¹ but when HPRP funds are depleted, participating families continue to need rental assistance. Due to state budget constraints and the availability of federal HPRP funds, funding from RAFT, Tool Box, and Flex Funds is discontinued

2012: A diversion/rehousing tool, HomeBASE Household and Rental Assistance, was launched. Due to high demand, no new families were able to access Rental Assistance after October 2012. For families that have rolled off Rental Assistance, after six months, eighty-five percent of surveyed clients remained out of shelter. Almost a quarter obtained permanent, subsidized housing. Sixty percent of clients rented apartments in the private market, most utilizing HomeBASE Household Assistance or RAFT as a subsidy.²

2013: RAFT program reintroduced; families at risk of homelessness are allowed to access funds more than once, and provides a continuation of support for families rolling off of HomeBASE. Most families only need one year of support.³

¹Davis, Tim & Terry Saunders Lane (2012), “Rapid Re-Housing of Families Experiencing Homelessness in Massachusetts”, Center for Social Policy and MBHP.

²MBHP (2014) Forthcoming report on HomeBASE.

³MBHP (2014) “RAFT in Review.”



In MA, family emergency shelter use is costlier to the public than homelessness prevention intervention.

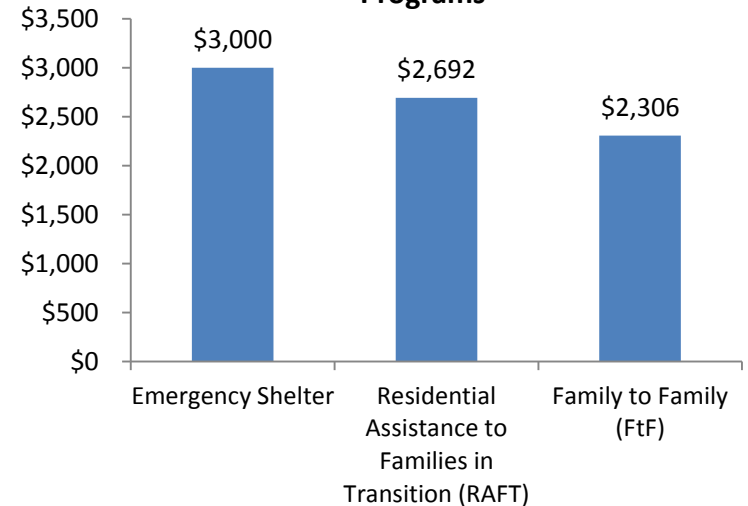
The experiences of programs in Massachusetts that are designed to prevent homelessness for low-income families facing housing crises indicate that they are very cost-effective. While these programs use private as well as public funds, the data indicate that if all funds were provided by the state, the state would reap substantial savings.

For example, Residential Assistance for Families in Transition (RAFT) reports: “The average stay for a family in shelter is eight months at a cost of \$3,000 per month. With ... an average cost of only \$2,692 in FY14, the almost 1,000 families helped with RAFT by MBHP in FY14 saved Massachusetts approximately \$21 million.”

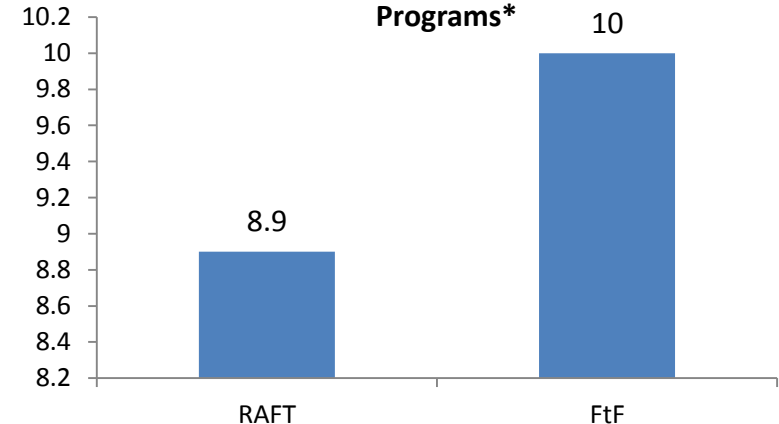
A program using private funds, Family-to-Family (FtF), gave grants averaging \$2,306 to 140 families in crisis. After a year, only five of these families had become homeless.

Assuming that families would have spent eight months in shelters without the help from these programs, the benefit-cost ratios in the two programs would be 8.9 (RAFT) and 10 (FtF).

Cost of One Month in Shelter Compared to One-time Interventions for Families in Crisis, Two Massachusetts Programs



Benefit-Cost Ratios for Two Homeless Prevention Programs*



*Dollars Saved on Payments for Emergency Shelter for Each Dollar Spent on Prevention. Assuming that Without the Programs Families would Have Spent 8 Months in Emergency Shelter (Source: MBHP, 2014).



BUILDING A FOUNDATION FOR FAMILY STABILITY:

Targeting State Supports for Vulnerable Families

Nancy Wagman, Kids Count Project Director Mass. Budget and Policy Center
Luc Schuster, Deputy Director Mass. Budget and Policy Center



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The state budget and other policies represent choices about investments in the economic security and stability of vulnerable families.

At its simplest, family homelessness is the result of a mismatch between the amount of money a family has to spend on housing and the cost of housing. Through our state budget and other policies, the Commonwealth has an opportunity to have a direct impact on both family economic well-being and housing affordability. We know that there is a direct connection between housing and life outcomes for children and families, and adequate resources directed to the right supports can have a significant impact on the economic stability and long-term well-being of even the most vulnerable family.

To examine trends in state supports for vulnerable families, this analysis tracks:

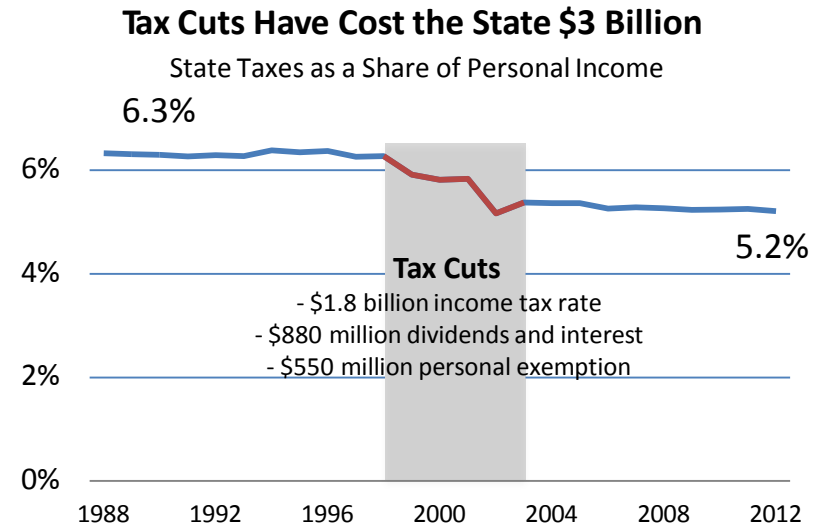
- Work supports for low-income families
- Policies directed to low-income working families
- Direct cash assistance benefits
- Other direct benefits and subsidies
- Programs to support affordable housing
- Resources that help shore up families encountering difficult times

It is important to remember that the state budget represents not only a series of choices about spending but also a series of

choices about revenue.

There were a number of significant cuts made to the state tax code beginning in 1998. These included a series of phased cuts to the state personal income tax, costing the state roughly \$3 billion annually.

These revenue constraints restricted the state's ability to fund essential services and led to cuts in a wide variety of supports for vulnerable families.

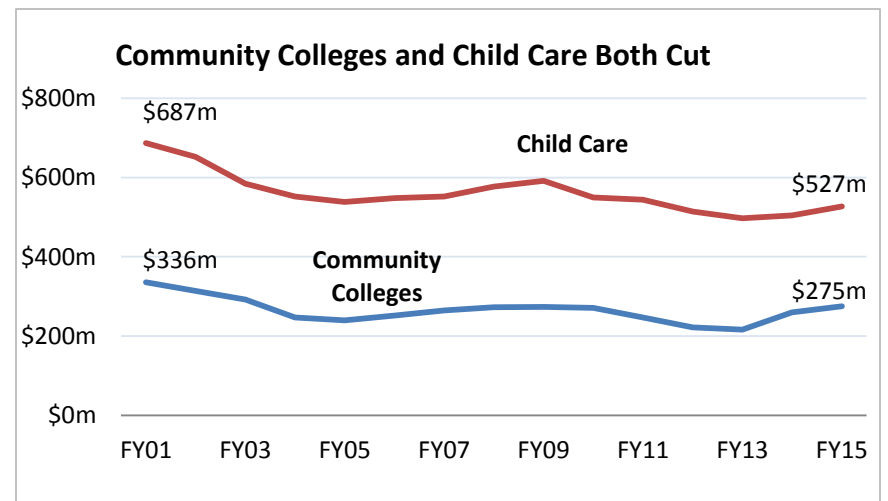
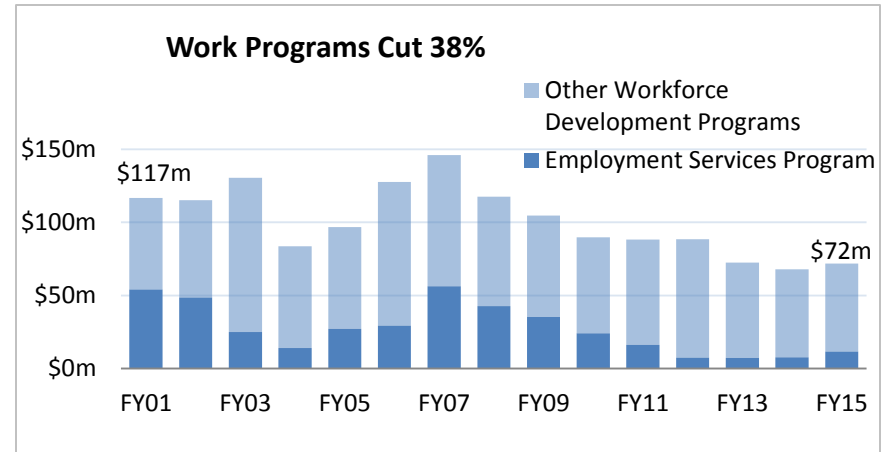


There have been deep cuts to programs that support work.

A strong economy gives all families an opportunity to work and make a contribution. In spite of the importance of well-paying work as protection from homelessness, funding for workforce development programs has been cut 38% since 2001. These programs include on-the-job training, basic adult education, and grants to encourage employment in targeted industries. In particular, it is notable that there has been a 78% cut in funding for the employment services program that specifically targets low-income parents receiving cash assistance grants

For adults who need to improve their skills, the state's community college system plays an essential role in improving job-readiness. Nevertheless, funding for community colleges has declined 18% since 2001.

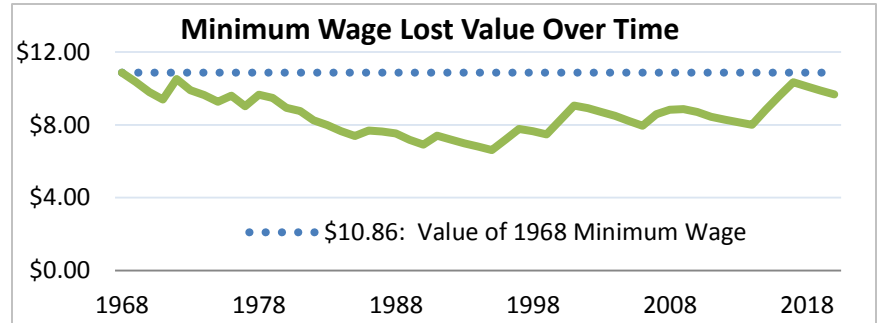
Reliable child care is essential for a working family. Parents need to know that their young children are safe and well cared for during the day. Moreover, there is substantial research demonstrating the benefits of high-quality child care on the long-term well-being of children. Even so, funding for child care has been cut by 23% since 2001.



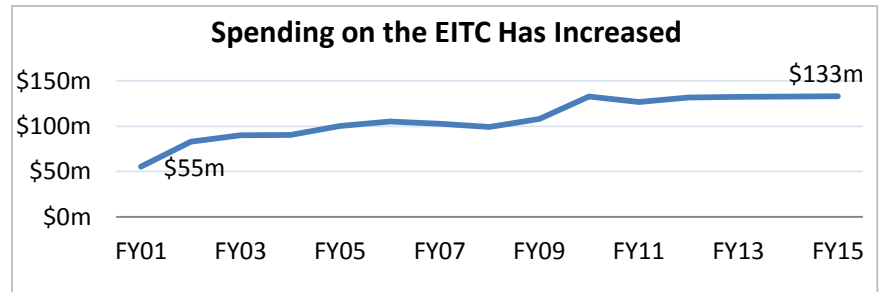
Key policies directed to low-income working families are essential for economic well-being and family stability.

Even for working families, some jobs do not pay a living wage or offer essential benefits.

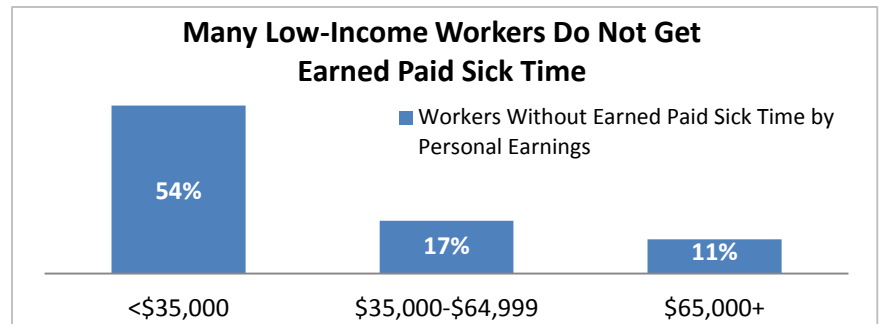
Earlier this year, the Commonwealth increased its minimum wage to \$11 an hour by 2017, which is expected to raise the wages of approximately 600,000 workers. In spite of this new increase, the value of the current minimum wage will not reach what the minimum wage was worth in 1968.



The Earned Income Tax Credit (EITC) is an income subsidy program for low- and moderate-income wage earners. The state provides a refundable tax credit based directly on the federal EITC. State spending on the EITC (that is, the value of forgone tax revenue) has more than doubled since FY 2001. In 2013, approximately 400,000 people filed claims for the state EITC, receiving up to a tax credit of \$907.



Massachusetts does not have a law requiring earned paid sick time to give workers paid time off in order to take care of themselves when they are too sick to work or to take care of a sick family member. Without paid sick time, workers lose a day's pay or risk getting fired. More than half of low-income workers do not receive earned paid sick time at their jobs.



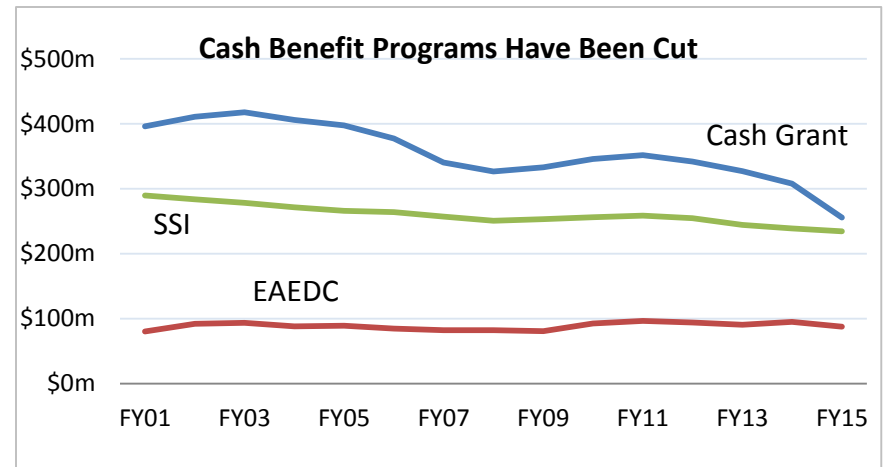
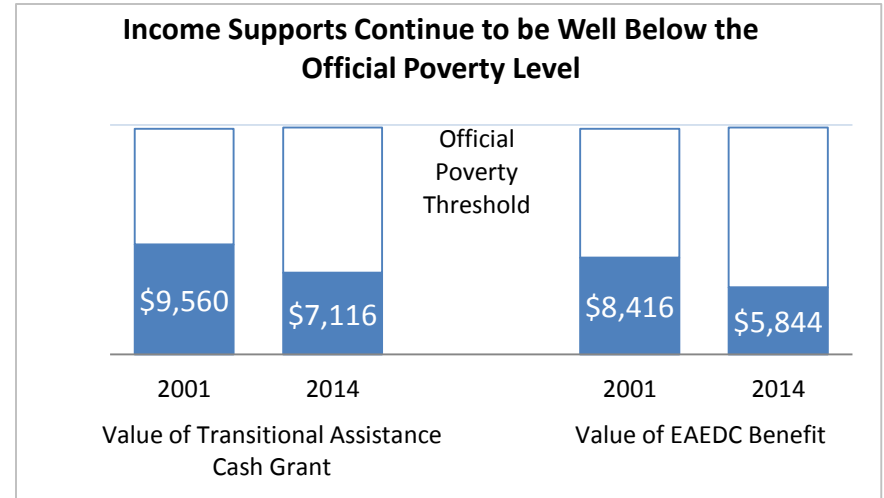
Cash assistance benefits have never been sufficient to lift families out of poverty and funding has been cut.

The state funds several income support programs, but none of these programs receive sufficient funds that could bring family incomes to levels that could prevent homelessness, and funding for these benefits has been cut since 2001.

Funding for the transitional assistance cash grant has dropped in part because of tightened eligibility and a limited caseload, and also due to a drop in the value of the grant. The grant has never been enough to lift families out of poverty, nor has it kept up with inflation. It brought a family of three to 51% of the official poverty threshold in 2001, but only to 37% of poverty in 2014. The current monthly grant for a family of three is \$618 if participating in work programs.

Among those eligible for Emergency Aid to Elders, Disabled and Children (EAEDC) are low-income people taking care of children unrelated to them. The EAEDC benefit (\$487 a month for a family of three) has dropped in value by 31% since 2001.

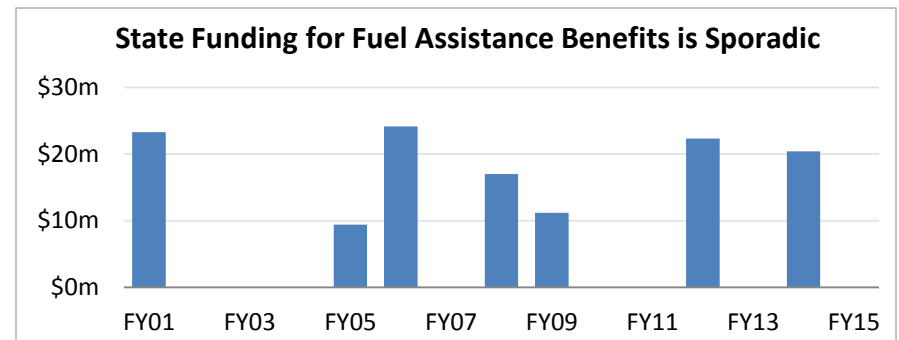
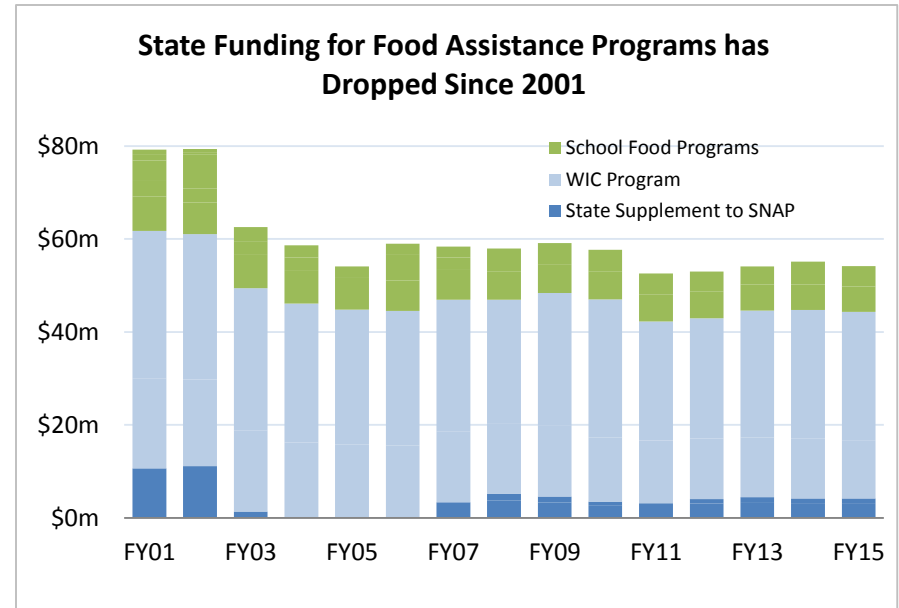
Funding has also declined for the state's small supplement to the federally-funded Supplemental Security Income (SSI) program for low-income disabled children and older adults. The cash benefit (up to \$129 a month) has remained unchanged since 2001, dropping in value by 31%.



The state provides other important non-cash benefits and subsidies for low-income families, but funding has been cut.

Since 2001, there has been an erosion of an essential piece of the non-cash foundation for family stability – state funding for food assistance. For low-income families, federal- and state-funded food assistance programs provide access to healthy low-cost or free food and can make a big difference in a family budget. State funding for school breakfast and school lunch has dropped by more than 40% percent since 2001. State funding for the Women, Infants, and Children Program (WIC) has dropped by 21%. State funding for the SNAP (food stamp) program was never fully restored after deep cuts in 2002.

In some years, particularly years with very cold winters, the state funds a subsidy to the federal fuel assistance program, known as the Low Income Home Energy Assistance Program (LIHEAP). The purpose of the program is as an income subsidy, so that low income families are not put in the position of having to choose between paying for heat or paying for food or other basic necessities. State funding for this program is typically considered “one-time” funding and is appropriated mid-year to meet immediate need. There are not state appropriations for LIHEAP every year.



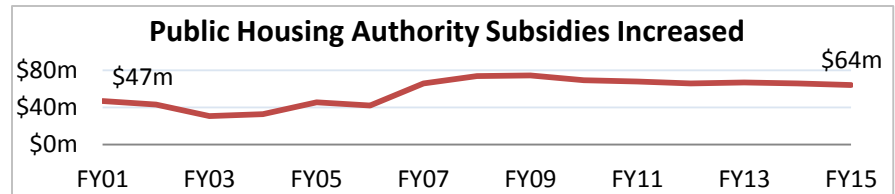
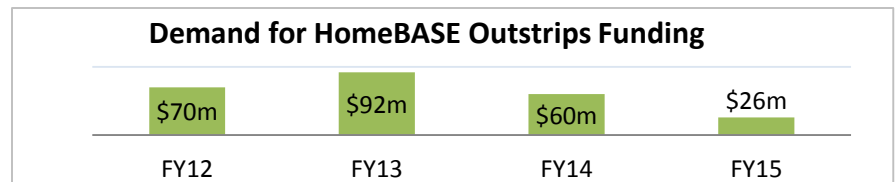
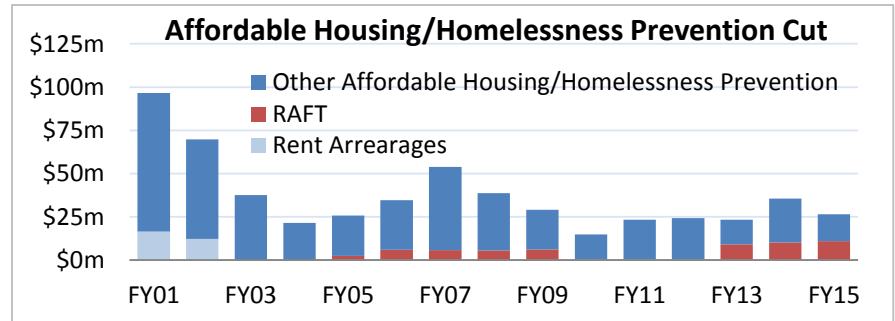
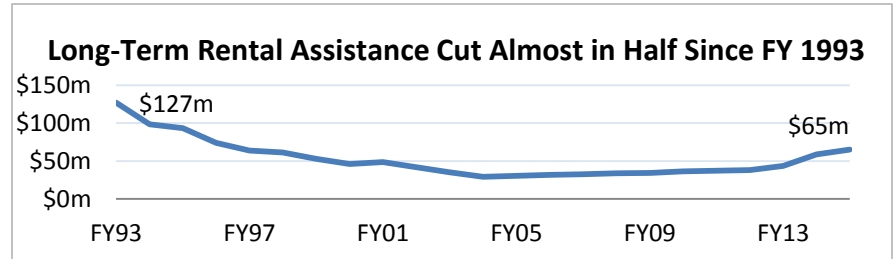
The state has not adequately funded programs that support affordable housing or prevent homelessness.

The Mass. Rental Voucher Program (MRVP) provides long-term financial support for low-income renters. When the program was created in 1993, it paid for almost 15,000 vouchers. The current level of funding supports only about half that number as funding has been cut dramatically.

The state has funded a variety of other programs to support housing and prevent homelessness, but none has maintained stable funding sufficient to meet need. (See appendix of detailed listing of programs included.) Among these, from 1995-2002, there was a program providing rent relief for low-income families. Starting in 2005, the Residential Assistance for Families in Transition (RAFT) program began providing up to \$4,000 in short-term housing assistance. State funding was cut back from FY 2010-2012, as there was federal Recovery Act (ARRA) funding available.

In 2012, HomeBASE began as an alternative to shelter for people eligible for emergency assistance. Families receive up to \$4,000 of housing or rental assistance limited to one 12-month period. Demand for HomeBASE has overwhelmed available funding.

The state provides a direct subsidy to local housing authorities to support affordable housing which has increased by 36% since 2001.



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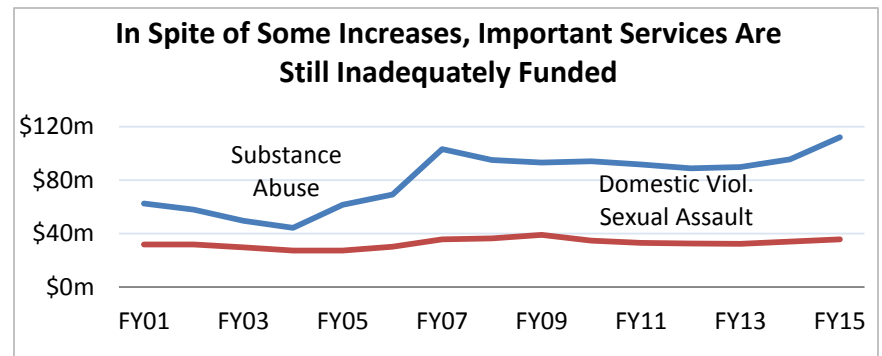
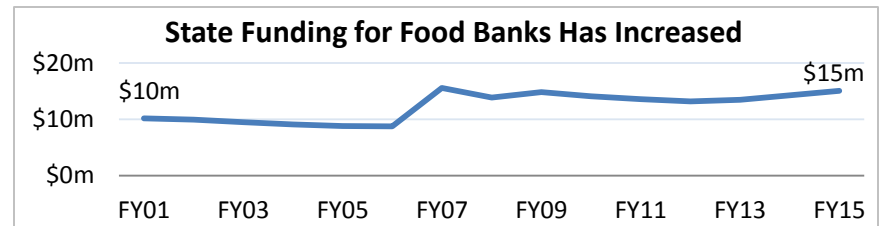
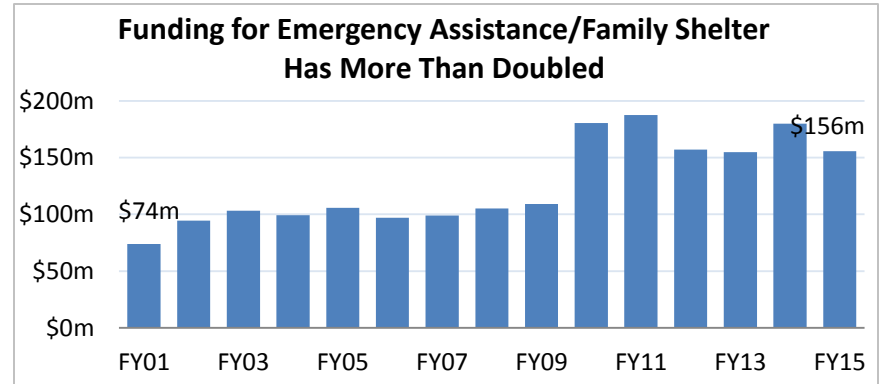
State funding has an important role to play in shoring up resources for families that fall on hard times.

Certain costs increase when family instability increases. With cuts to programs providing assistance to families seeking low-income housing, the costs of emergency shelter have more than doubled over the past fifteen years. In recent years, because there were more families in need of shelter than there were beds in the shelter facilities, the state has paid for families to live in hotels and motels. In addition, there has recently been funding to help pay for transporting homeless students from shelter to their home school district. This additional cost is \$7.4 million in 2015.

Moreover, state funding for emergency food assistance (food banks) has grown by almost 50% since 2001.

Increasing homelessness and family instability can also lead to increases in other costs. Substance abuse and addiction as well as domestic violence are among the major causes of family instability as well as the result of family instability.

Funding for substance abuse services has doubled since 2001, but funding the increases are primarily for treatment rather than prevention. Funding for the victims of domestic violence or sexual assault has risen since 2001, but has been cut by 8% since 2009.



Funding for family emergency shelter has more than doubled; meanwhile, supports for low-income families have been cut.

Funding for emergency shelter for families has more than doubled since 2001. The causes of this increase are varied and complex, and not only the result of state budget policy.

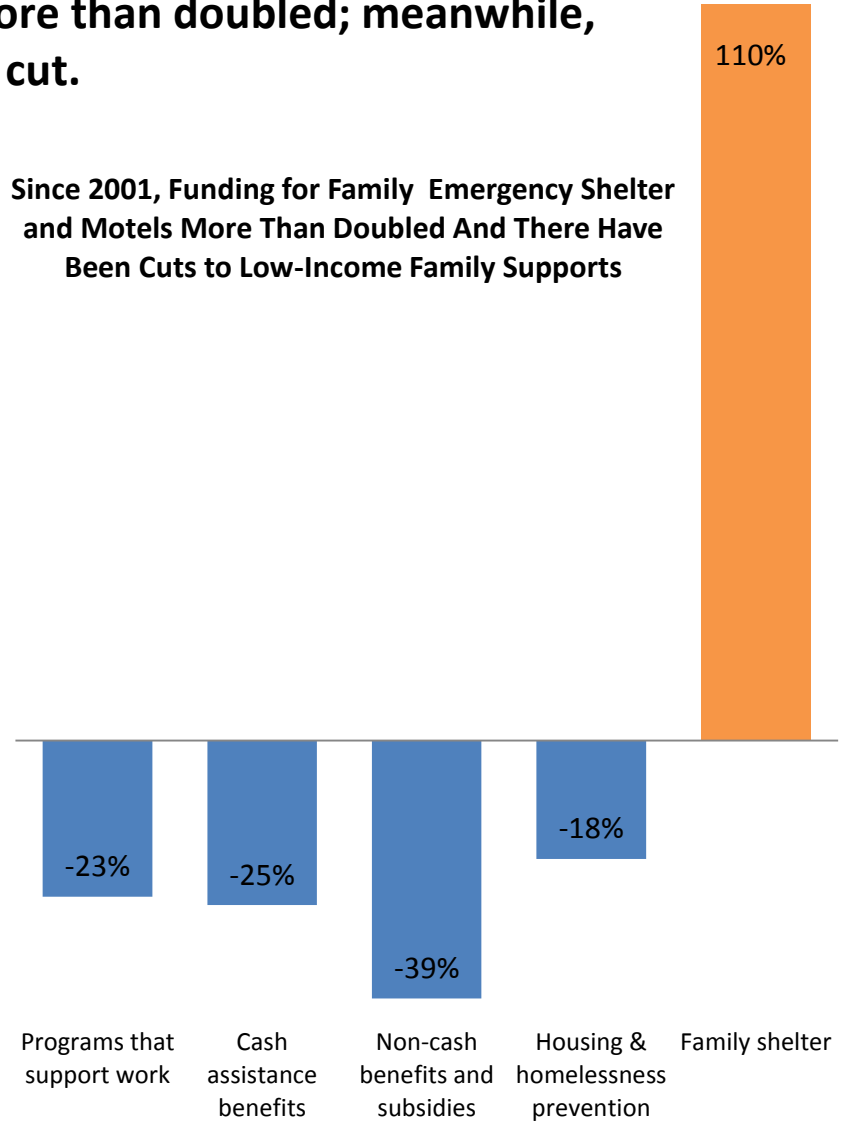
Nevertheless, funding for a variety of services that support low-income families have been cut during this same period. These are the types of supports that – together – might support family stability and help prevent family homeless.

Programs that support the ability of low-income families to work, such as workforce development, child care, and support for community colleges, have been cut by 23%.

Cash assistance benefits, such as the basic assistance cash grant, the state supplement to SSI, and the EAEDC program, have been cut by 25%. Other benefits and subsidies such as food and fuel assistance programs have been cut 39%.

Even with recent increases in support for affordable housing, there has been an overall 18% decline since 2001 in support for longer-term programs to provide affordable housing and prevent homelessness.

Since 2001, Funding for Family Emergency Shelter and Motels More Than Doubled And There Have Been Cuts to Low-Income Family Supports



Technical Appendix and Sources



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Explore the Jobs and Workforce Budget workforce.massbudget.org



Learn About Programs in the Children's Budget children.massbudget.org

Find the Numbers at the KIDS COUNT Data Center datacenter.kidscount.org



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Underlying Details for the Slides

The state budget and other policies represent choices . . . :

Taxes as a share of personal income, based on tax data from the Dept. of Revenue. Adjusted for economic growth based on personal income, capital gains revenue, and a residential adjustment. Tax cut cost estimates from the Mass. Dept. of Revenue.

Budget slides: Budget data for FY 2001-FY 2015 from Mass. Budget and Policy Center Budget Browser (brower.massbudget.org). Budget information for earlier years provided by the Executive Office for Administration and Finance. All numbers adjusted for inflation (unless otherwise specified) based on the Consumer Price Index for Urban Consumers (CPI-U) from the Bureau of Labor Statistics. Projections for the CPI-U from the Congressional Budget Office.

See also the MassBudget Children's Budget (children.massbudget.org) and Workforce Budget (workforce.massbudget.org), as well as a large array of [reports](#) on workforce development, higher education, early education and care, minimum wage, earned paid sick time, transitional assistance, school food programs, housing and homelessness, and budgetary trends.

Line items included in Workforce Development

4401-1000	Employment Services Program - ESP
4401-1001	Transitional Employment Services Program
4401-1100	Employment Services Program Federal Food Stamp Reimb.
4401-1101	Federal Reimbursement from Food Stamps
7002-0020	Advanced Manufacturing Workforce Development Grants
7003-0400	Re-Employment Assistance
7003-0701	Workforce Training Programs

7003-0702	Individual Training Grants
7003-0703	Racetrack Employee Re-Training
7003-0801	Just-A-Start Biotech Training
7003-0803	One-Stop Career Centers
7004-9322	Secure Jobs Pilot
7035-0002	Adult Basic Education
7066-0015	Workforce Development Grants to Community Colleges
7066-0020	Nursing and Allied Health Education Workforce Development
7066-0040	Adult College Transition Services
7066-0050	Rapid Response Grants
1595-1074	Workforce Competitiveness Trust Fund
1595-6126	Health Care Workforce Transformation Trust
	Workforce Training Fund

Line items included in Community Colleges

1599-3967	Community College Faculty FY 2001
1599-3973	BHE MCC FY 2001
1599-4000	Community Colleges
1599-4441	Community College Collective Bargaining Agreement Reserve
1599-7555	North Shore Community College Lease Costs
7066-0014	Community College Development Education Program
7066-0036	STEM Starter Academy
7066-1221	Community College Workforce Grants
7100-4000	Massachusetts Community Colleges
7502-0100	Berkshire Community College
7503-0100	Bristol Community College
7504-0100	Cape Cod Community College
7504-0102	FAA-Certified Airframe and Power Plant Program
7505-0100	Greenfield Community College
7506-0100	Holyoke Community College



Line items included in Community Colleges (continued)

7506-0101	Holyoke Community College Home Information Center
7507-0100	Mass. Bay Community College
7508-0100	Massasoit Community College
7509-0100	Mount Wachusett Community College
7509-0125	Youth Venture
7509-0140	Civic Engagement Program
7510-0100	Northern Essex Community College
7511-0100	North Shore Community College
7511-0102	North Shore Community College Essex Agricultural Institute
7512-0100	Quinsigamond Community College
7514-0100	Springfield Technical Community College
7515-0100	Roxbury Community College
7515-0120	Reggie Lewis Track and Athletic Center
7515-0121	Reggie Lewis Track and Athletic Center Retained Revenue
7515-0129	Roxbury Community College Information Technology Equipment
7516-0100	Middlesex Community College
7518-0100	Bunker Hill Community College

Line items included in Child Care

1599-0042	Early Education and Care Provider Rate Increase
1599-0043	Child Care Rate Reserve
1599-1206	Family Child Care Providers Reserve
1599-1690	Early Education Salary Reserve
3000-3000	Pre-K Curriculum Grant
3000-3050	Supportive Child Care
3000-4000	Preschool Programs
3000-4040	Birth through Pre School
3000-4050	Temporary Assistance for Needy Family Related Child Care
3000-4060	Income Eligible Child Care - Child Care Access
3000-4070	Income Eligible Wait List
3000-5000	Grants to Head Start Programs
3000-5075	Universal Pre-Kindergarten

3000-6000	Quality Program Supports
3000-6050	Professional Development
3000-7000	Healthy Families Home Visiting Program - Children's Trust Fund
3000-7050	Mass. Family Networks
3000-7050	Services for Infants and Parents - Family Support and Engagement
3000-7060	Parent-Child Home Program
3000-7070	Reach Out and Read Program
4130-1000	Healthy Families Home Visiting Program
4130-2998	Child Care Quality Improvements
4130-3050	Child Care Program for Low-Income Families
4130-3200	Access to Jobs Initiative
4130-3250	Post Transitional Child Care
4130-3300	Income Eligible Child Care Services
4130-3400	Teen Parent Child Care At Teen Living
4130-3500	Trial Court Day Care Services
4130-3600	Supportive Child Care
4130-3700	Informal Child Care Program
7030-1000	Office of Early Education
7030-1004	Parent-Child Home Program
7030-1500	Head Start Program Grants

Minimum Wage

Real value calculated using the Consumer Price Index for all Urban Consumers (CPI-U); projections based on Congressional Budget Office CPI-U projections.

EITC

Estimates from the Dept. of Revenue Tax Expenditure Budget.

Earned Paid Sick Time

Estimates based on the Institute for Women's Policy Research analysis of the 2010-2012 National Health Interview Survey (NHIS) and 2012 IPUMS American Community Survey (ACS).



TAFDC and EAEDC

Data on the value of the grant from the Dept. of Transitional Assistance,

www.mass.gov/dta

See also statistics and data at

<http://www.masslegalservices.org/library/directory/benefits/statistics-and-data/dta-facts-and-figures>

Poverty threshold from the U.S. Dept. of Health and Human Services, Prior HHS Poverty Guidelines and Federal Register References

<http://aspe.hhs.gov/poverty/figures-fed-reg.shtml>

Line items for Cash Grant

4403-2000	TAFDC Grant Payments
4403-2001	Lift Transportation Program
4403-2002	Supplemental TAFDC Grant Payments
4403-2013	Child Support Retained Revenue

Line items for SSI

4110-1010	State Supplement to SSI for the Blind
4405-2000	State Supplement to Supplemental Security Income (SSI)
4405-2010	SSI Rest Home Vendor Prior Fiscal Year

Line item for EAEDC

4408-1000	Emergency Aid to the Elderly, Disabled and Children – EAEDC
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Line items for School Food Programs

7053-1909	School Lunch Program
7053-1925	School Breakfast Program
7053-1927	School Breakfast Program - Universal Eligibility
7053-1928	School Breakfast Grants
7053-1929	Summer Food Grants

Line items for WIC

4513-1002	Women, Infants, and Children's Nutritional Services - WIC
4513-1012	WIC Program Manufacturer Rebates Retained Revenue

Line items for State Supplement to SNAP

4400-1001	SNAP Participation Rate Programs
4403-2007	SNAP State Supplement
4404-1000	State Supplemental Food Stamps

Line items for Fuel Assistance

7004-1000	Supp. Funding for Low Income Residents' Utilities (LIHEAP)
7006-1004	LIHEAP One Time Costs

Line items for Long-Term Rental Assistance (MRVP)

3222-9024	Rental Assistance (MRVP)
3722-9024	Housing Subsidies
7004-9024	Mass. Rental Voucher Program - MRVP

Line item for Rent Arrearages

4403-2110	Emergency Assistance - Rent Arrearages
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Line item for RAFT

7004-9316	Residential Assistance for Families in Transition – RAFT
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Line items for Affordable Housing/Other Homelessness Prevention

0940-0101	Fair Housing Assistance Type I Retained Revenue
1150-5104	Anti-Discrimination Programs Retained Revenue
1599-1004	Commission to End Homelessness Recommendations Reserve
7004-0099	Department of Housing and Community Development
7004-1966	Lead Paint Abatement
7004-2011	Low Income Sewer and Water Abatements
7004-2475	Soft Second Mortgage
7004-3036	Housing Services and Counseling
7004-3045	Tenancy Preservation Program



Line items for Other Homelessness Prevention (continued)

7004-4314	Service Coordinators Program
7004-8878	Rental Housing Development Action Loan Program (RDAL)
7004-9004	Subsidized Transition
7004-9027	State Housing Assistance for Rental Production (SHARP)
7004-9201	Interest Subsidies for Private Development of Affordable Housing
7004-9315	Low-Income Housing Tax Credit Fee Retained Revenue
7004-9317	Individual Development Account Program
1595-0198	Affordable Housing Trust
1595-6585	Low Income Housing Tax Credit Fund Housing Preservation and Stabilization Trust

Line items for HomeBASE

7004-0108	Mass. Short Term Housing Transition Program (HomeBASE)
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Line items for Subsidies to Public Housing Authorities

7004-9005	Housing Authority Subsidies
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Line items for Emergency Assistance/Family Shelter

1599-2120	Crossroads Family Shelter
4403-2119	Teen Structured Settings Program
4403-2120	Emergency Assistance - Family Shelters and Services
7004-0100	Operation of Homeless Programs
7004-0101	Emergency Assistance - Family Shelters and Services
7004-0103	Emergency Assistance - Hotels and Motels

Line items for Homeless Student Transportation

7035-0005	Homeless Student Transportation
7035-0008	Homeless Student Transportation

Line items for Emergency Food Assistance (Food Banks)

2511-0105	Emergency Food Assistance Program - Food Banks
7051-0015	Temporary Emergency Food Assistance Program

Line items for Substance Abuse and Addiction Services

4512-0200	Bureau of Substance Abuse Services
4512-0201	Substance Abuse Step-Down Recovery Services
4512-0202	Secure Treatment Facilities for Opiate Addiction
4512-0203	Young Adult Treatment Program
4512-0204	Nasal Narcan Expansion Program
4512-0205	Sober Homes
4512-0210	Substance Abuse Treatment Trust Fund
4512-0225	Compulsive Behavior Treatment Program Retained Revenue

Line items for Domestic Violence/Sexual Assault Services

4400-1025	Domestic Violence Specialists
4510-0810	Sexual Assault Nurse Examiner and Pediatric SANE Programs
4510-0820	Pediatric Sexual Assault Nurse Examiner Program
4513-1001	Domestic Violence Community Education
4513-1022	Community Domestic Violence Programs
4513-1130	Domestic Violence and Sexual Assault Prevention and Treatment
4800-0036	Sexual Abuse Intervention Network
4800-0050	New Chardon Street Shelter
4800-1400	Support Services for People at Risk of Domestic Violence
4800-1500	Domestic Violence Specialists
7004-3040	Domestic Violence Housing

Funding for family emergency shelter has more than doubled...:

Programs that support work. This total includes Workforce Development, Child care, and Community Colleges funding. **Cash Assistance Benefits.** This total includes the TAFDC cash grant, SSI, and EAEDC. **Non-cash benefits and subsidies.** This total includes Food Assistance programs and Fuel Assistance. **Housing & Homelessness Prevention.** This total includes Long-Term Rental Assistance, Other Affordable Housing/Homelessness Prevention, and Public Housing Authority Subsidies.



HARDSHIP, ELIGIBILITY, AND COVERAGE GAPS AMONG MASSACHUSETTS FAMILIES 2008-2013

*Keith Bentele, Faculty Affiliate, Center for Social Policy
Randy Albelda, Senior Research Fellow, Center for Social Policy
Damien J. Turini, Social Service Coordinator, Boston Public Health
Commission and UMass Boston Graduate Student*



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Examining the extent of financial strain among Massachusetts families: The hardship gap.

Low income families, and parents with inconsistent access to employment, are vulnerable to homelessness. Public income support programs have the potential to supplement total family income when earnings are insufficient to cover basic needs. Further, such benefits can play a crucial role in buffering the impact of the various life events (e.g., sickness, divorce, unemployment) that can increase the risk of a bout of homelessness.

When public income support programs are insufficient and/or inaccessible, then financially insecure families, including those with a wage earner, are more likely to hit rock bottom.

One way to get a sense of economic realities for low income families in Massachusetts is to examine the extent to which earnings are sufficient enough to cover basic family needs.

In addition, we can examine the extent to which public income supports, such as tax credits or SNAP benefits that supplement earnings, reduce the distance between available resources and family expenses. Simultaneously, assistance in the form of housing vouchers or healthcare coverage can reduce family expenses.

Families whose resources remain below the cost of a no-frills standard of living in Massachusetts, even after taking into account the value of available public income supports, are characterized here as falling into the HARSHIP GAP.



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The Hardship Gap

Counting only income from earnings, **33 percent** of Massachusetts families with earners fall below a basic needs budget.

Publicly-provided income supports help.

An examination of the depth of the gap suggests that the total income of many families experiencing this hardship is **significantly below** the cost of basic expenses. The median monthly amount below a basic needs budget after including all benefits and adjustments is **\$2,137**.

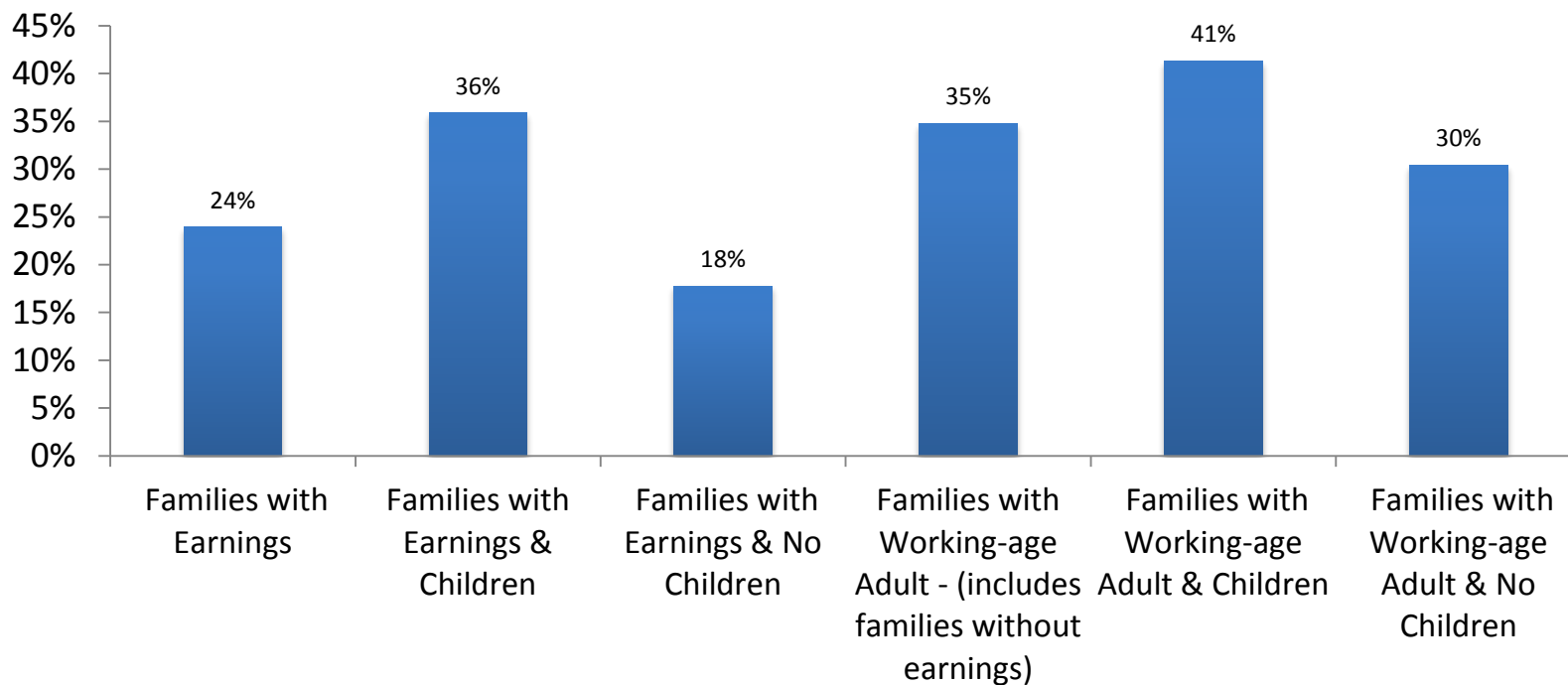
This resource gap reflects the unusually high levels of unemployment during this recessionary period.

We also examined these circumstances for families with at least one working age (25-54 years) adult with and without any earnings, excluding families composed of retirees or college students. Based solely on earnings, **42 percent** of these households had incomes below a basic needs budget.

When taking into account the value of all benefits, tax credits and reduced expenses, **35 percent** of families with a working age adult fall into the hardship gap. Families with children under 18 years are substantially more likely to find themselves in the hardship gap.

During 2008-2013, roughly one in four Massachusetts families with earnings had resources insufficient to cover the costs of their basic needs. Taking into account the value of all other public income supports, 24% of Massachusetts families fell into the hardship gap.

Share of MA families with Total Income Below Their Basic Needs Budget*



*Total income includes income from all sources including benefits, and expenses are adjusted to account for the receipt of housing and health care assistance.



Eligibility Gap: Significant portions of Massachusetts families with earnings too low to meet basic needs are ineligible for a range of public income supports.

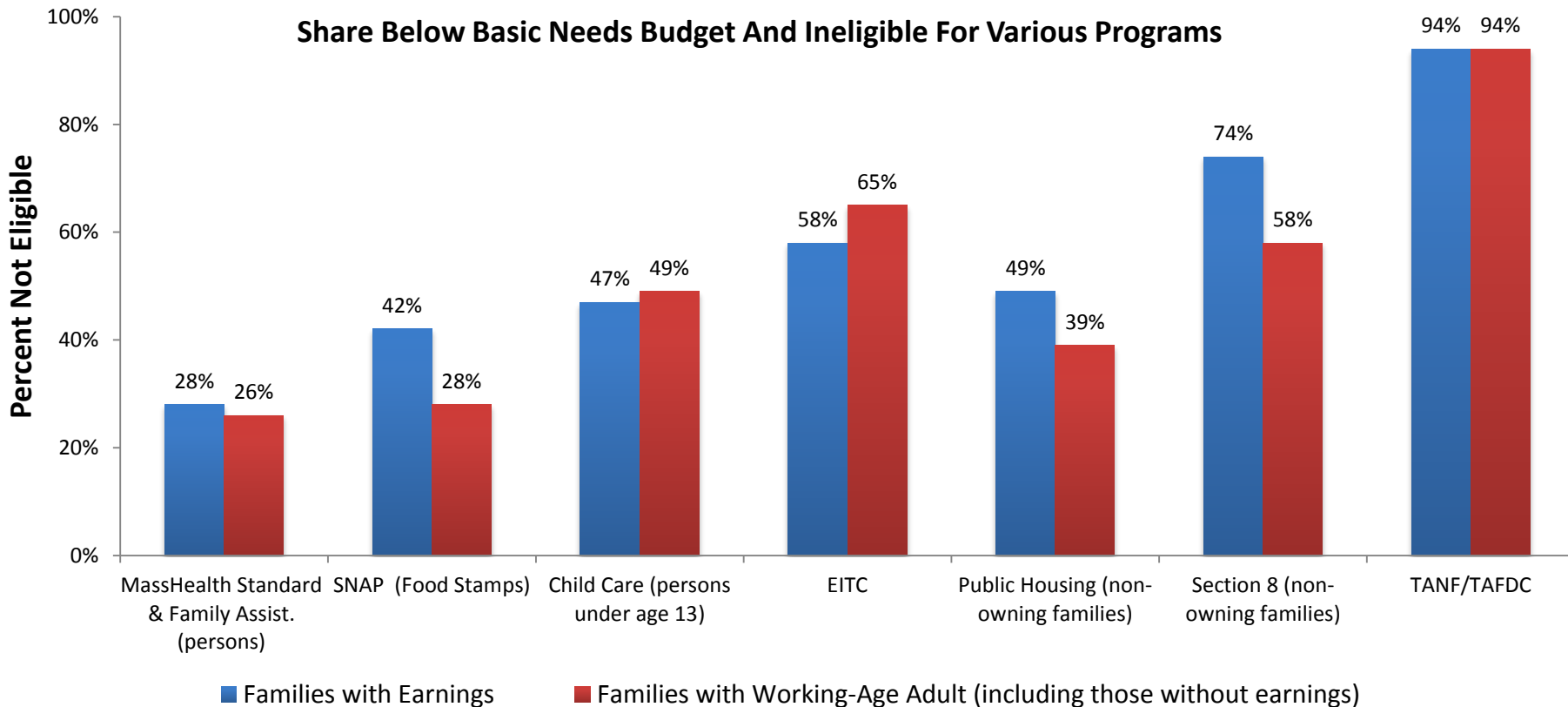
The Eligibility Gap characterizes the proportion of families whose incomes are below a basic needs budget, but find themselves ineligible for various income support programs.

Immediately apparent is the enormous variation in the accessibility of these programs for families in hardship circumstances. Most striking is the fact that only roughly **6 percent** of families (in both families with earnings and those with a working-aged adult regardless of earnings) in the hardship gap are eligible for TANF. At the other end of the spectrum is MassHealth; during this time period, **72 percent** of those in a family with incomes below a basic needs budget are eligible for this program --- reflecting the success of the expansion of healthcare coverage in the state.

However, across most of the core public income support programs a very significant portion of families with insufficient resources to meet their basic needs find that they are ineligible for assistance. In addition to TANF, housing assistance is particularly inaccessible, especially for working families. These families often earn “too much” to qualify for programs with extremely low-income eligibility thresholds.

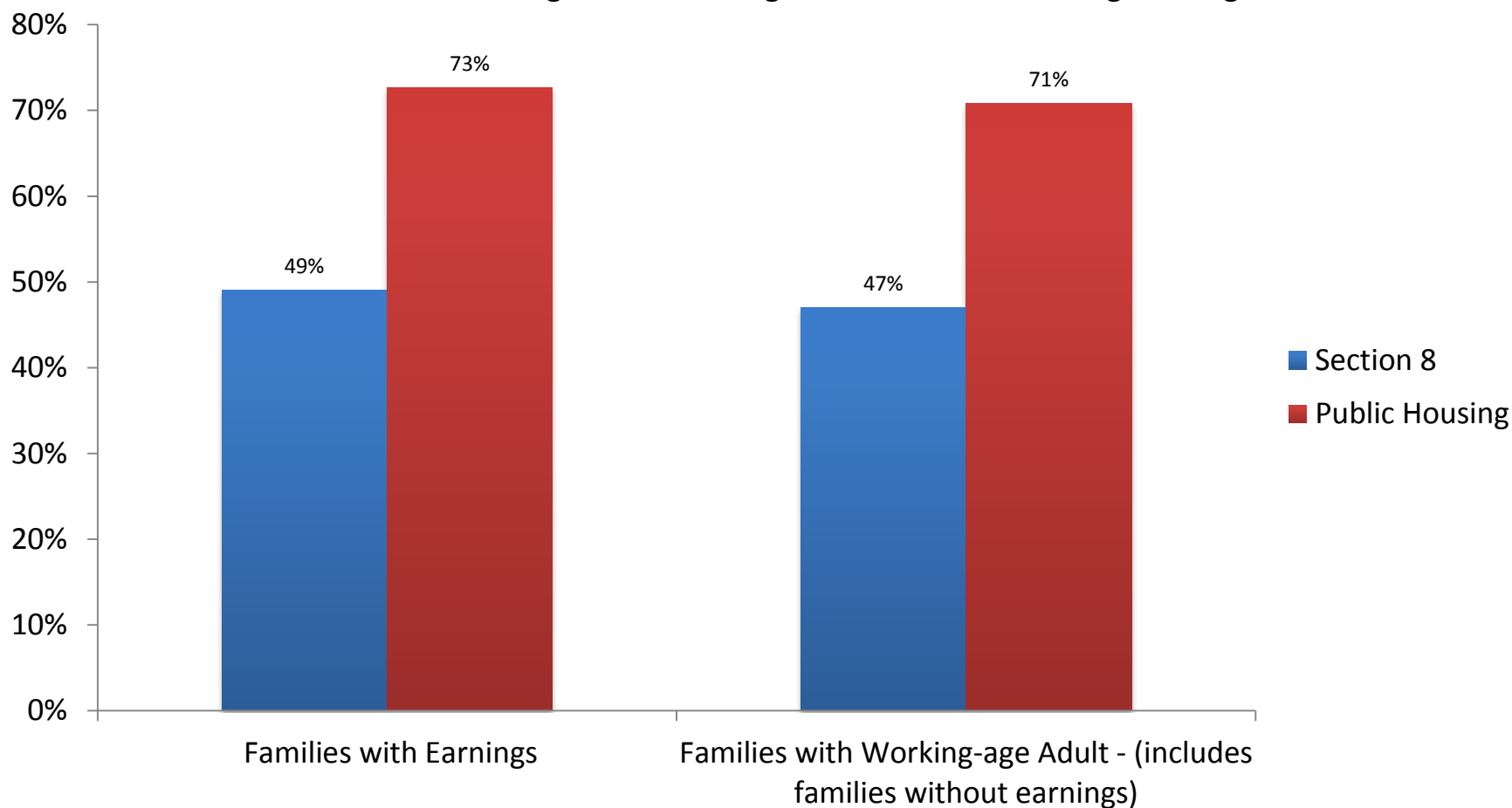


Eligibility gap illustrated: Significant portions of Massachusetts families with earnings too low to meet basic needs are ineligible for a range of public income supports.



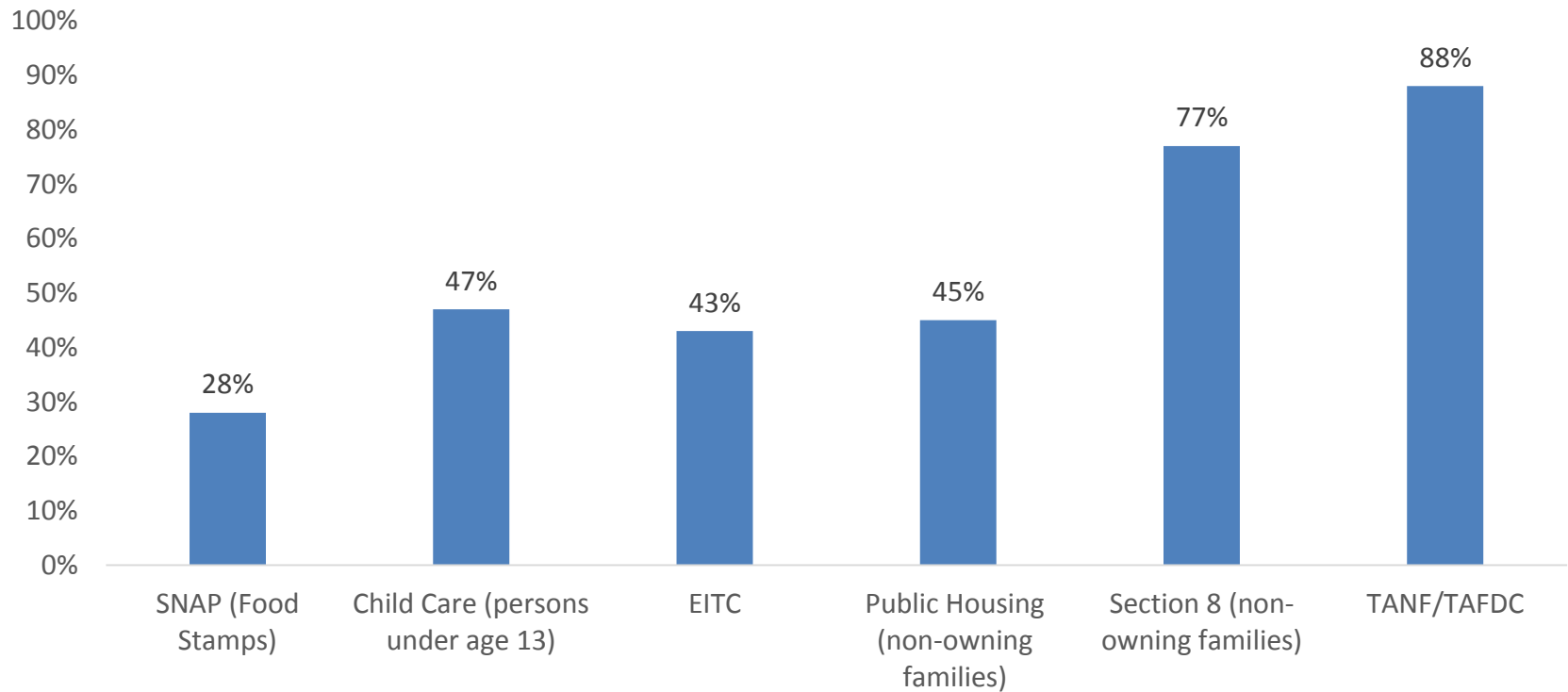
Coverage gap illustrated: An overwhelming majority of families who qualify for public housing and nearly half of all families who qualify for Section 8 do not receive housing assistance.

Share of MA Families Eligible For Housing Assistance Not Receiving Housing Assistance



36% of all working Massachusetts families with children experienced the “hardship gap”. The median monthly income gap for these households is \$1,536. The majority of families with children with earnings who are in a the hardship gap situation are ineligible for a range of public income supports

Share of Families with Earnings and Children below a basic needs budget and ineligible for various programs



Methodology and data.

To estimate the hardship gap we use the Massachusetts sample of the 2008 panel of the Survey of Income and Program Participation (SIPP), which tracked households over the years of 2008-2013.

This survey allows a month-to-month examination of both family earnings and the amount of income received, or costs reduced, by various programs: child care tax credits and assistance, federal and state Earned Income Tax Credits (EITC); Supplemental Nutritional Assistance Program benefits (SNAP, formerly known as Food Stamps); housing assistance (Section 8 and public housing); MassHealth (Medicaid and the State Children's Health Insurance Program – SCHIP); Temporary Assistance to Needy Families (TANF); and Unemployment Insurance (UI).

The families included in these estimates are those with one or two adults with no, one, two, three, or four children. This restriction excludes less than 8% of all family-month observations.

In order to compare family resources to expenses we use the estimate of a basic needs budget in Massachusetts for families of various compositions provided by the Crittenton Women's Union's Economic Independence Calculator.

- This basic needs budget is based on average prices of expenses such as housing, health care, childcare, food, and transportation in the state.
- Families who are receiving housing and health care assistance may pay significantly less than market price and have lower expenses in these categories. So, if a family reports receiving either housing or health care assistance (and they pay less for housing or medical care than the estimated family budget values) we use the self-reported value of housing and medical expenditures as the cost of these categories of expenses.
- In addition to this adjustment to the estimate of expenses, we also adjust estimated income in two ways. First, previous research indicates the amount of both TANF and SNAP benefits received by families are consistently underreported. We adjust the value of benefits received through these two programs by the average degree to which these benefits are underreported. In addition, the SIPP does not contain information on the receipt of tax credits. Families eligible for child tax credits and the federal and state EITC are assumed to have received these credits. Using the TAXSIM9 program developed by the National Bureau of Economic Research, we estimate the value of both the federal and state EITC received by families.



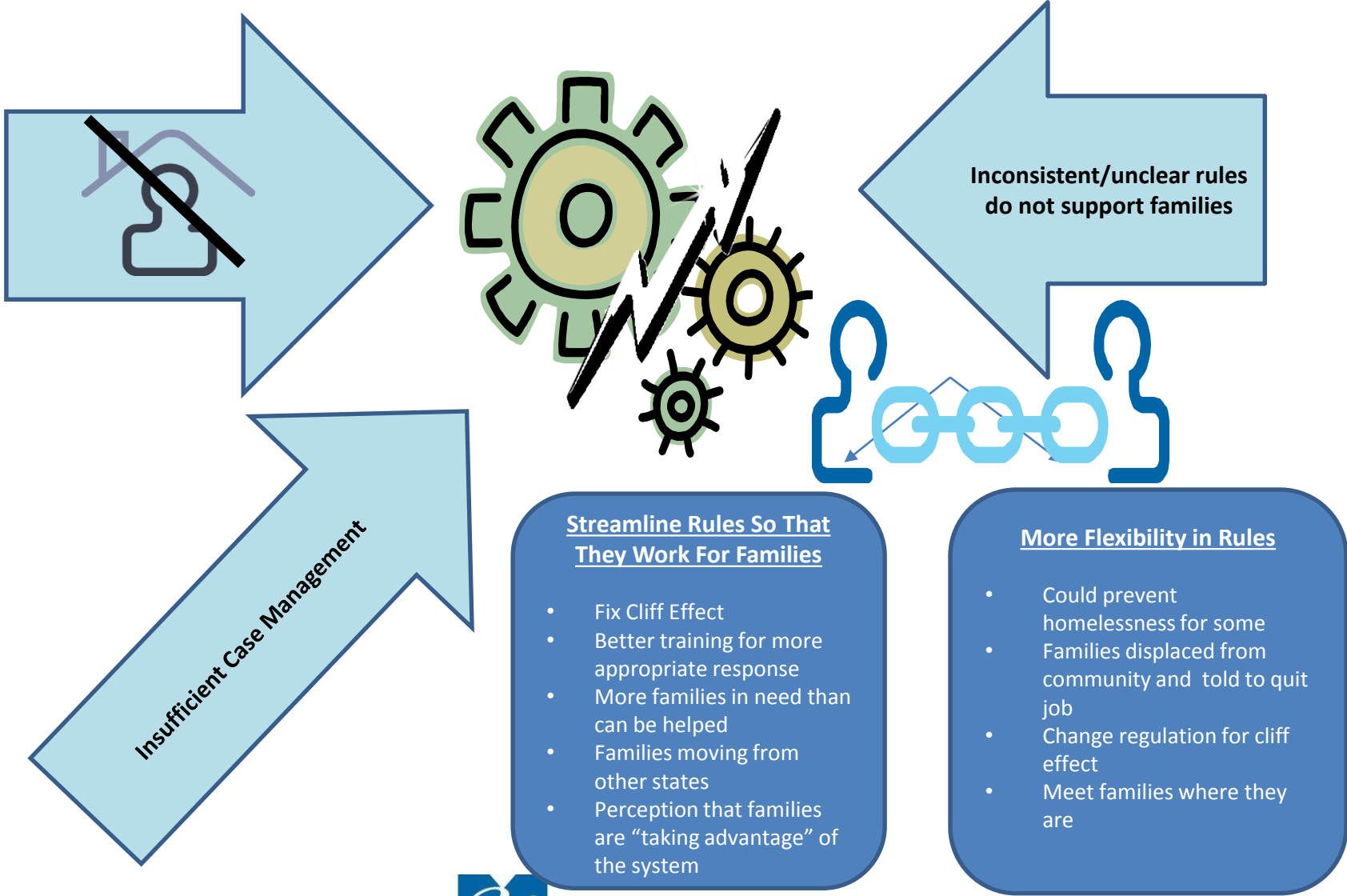
FAMILIES, FRONT-LINE STAFF AND PROPERTY OWNERS HAVE IDENTIFIED BROKEN PARTS OF THE SYSTEM

Mary Coonan, Outcome and Evaluation Specialist, Center for Social Policy
Marija Bingulac, Research Associate, Center for Social Policy
*Homes For Families carried out interviews with families who are
currently living in the state's shelter system*



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When homeless families, front-line staff, property owners meet in the EA system all find that parts of the system are broken and families are forced to hit rock bottom.



Focus group insight: When homeless families, front-line staff, property owners meet in the EA system all find that parts of the system are broken and families are forced to hit rock bottom.

All interviewees agreed that the public support systems do not work. The sentiment was that the system worked much better 15 to 20 years ago. In particular, forcing people to hit rock bottom before helping them was named as a fatal flaw in the system. For example, families are sent away until they are homeless and have eviction procedures started before helping house them. Also, families are frequently encouraged to quit their jobs in order to qualify for shelter—forcing them to make an impossible choice between having a roof over their head and income generation abilities.

HomeBASE was critiqued by all groups as being used as a strategy to get families out of shelter, instead of helping them avoid it.

There is not enough affordable housing. There is not enough case management to support the families. Families have a hard time getting ahold of case workers. Property owners feel that they are left with the problems of the families without enough supports.

System rules are not clear and they do not help families—this was echoed across all interview groups. There are different responses to and perceptions of the rules surrounding the emergency system.

There is the perception that families are taking advantage of these rules by behavior such as having unauthorized people living with families. Front line staff think that the system is overburdened and that being softer on the perceived misbehaviors could open the system to more families. Finally, the workers at all levels primarily feel that there is a problem of too many families coming from other states due to the right to shelter. All of this is made worse by lack of appropriate supports for the families who face a myriad of issues that accompany homelessness.

Need for prevention came out strongly across all interviews.

There is a strong desire for more flexibility with the rules to be able to respond on the spot to a family's needs. Families and workers strongly called for this.

There was the recognition that families could be helped with the flexibility to make the decisions about how funds should be used rather than sending families to shelters far away and asking them to quit jobs.

All groups interviewed felt that there should be space to address the cliff effects—more time before loss of benefits after finding a job, provision of affordable and reliable childcare, and provision of more appropriate transportation options.



Cliff effect was experienced by every family. To qualify for shelter, families were encouraged to quit jobs. Once in shelter, they needed to find jobs. Childcare and transportation made interviewing and holding a job difficult. For those who tried it, immediate loss of benefits triggered by meager income increases put their families at greater financial risk. In their own words:

“First I did have a job. But if you clock too many hours ... most recently I was told that if I’m over the guidelines they will take my voucher (childcare) so I have to make below means to survive. I’m afraid to take a \$15 an hour job. They force me to be on the system.”

“Once you’re a little over they say it’s time to pay market rent. So you have to work only 20 hours because you can’t risk it.”

“I went to the case worker to try to get housed and she said to me: ‘you don’t look homeless.’”

“I had a bank account they said I had too much money. I had \$200 so I was denied (shelter). I got rid of my savings then reapplied and was accepted. I stopped my job, shelter don’t give me a chance (to work) plus I have to be in at 9:00 if I could get more money I will take it.”

“I was working and going to school. I had a voucher and finished school. I got work at Tufts Medical 15 hours at my department. I wanted to be full time. I couldn’t do it because it was too many hours. Because of my part time job I lost cash assistance and they reduced my food stamps. She (case worker) told me that if I made anymore I would have to leave (shelter). I got laid off but if I had stayed I wouldn’t have made it.”

“I love my mom’s help with child care, my mom was biggest help, but I lost her as soon as I entered shelter because I am placed 102 miles away.”

“MLRI caught me in time I was ready to give up my son because they kept denying me shelter. A woman who was applying got us connected. MLRI advocated for me to get into EA.”

“A voucher for childcare, I would have been able to pay my bills. I had a place to stay but I had to take my child ever I went to work with me. If I had a child care voucher I never would have needed to give up what I had”.

“I see it like a threat, 6 months is not enough to pay market rent. I can sustain a job but I still can’t pay market rent.”

“They ask too much from homeless people. Told to buy a birth certificate, get an id.....but how am I supposed to get those things when I am homeless and have no money”?



OTHER STATE APPROACHES TO PROGRAM ELIGIBILITY AND SYSTEMS INTEGRATION ISSUES

Mary Coonan, Outcome and Evaluation Specialist, Center for Social Policy
Marija Bingulac, Research Associate, Center for Social Policy



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States, counties and cities are using innovative practices to raise additional capital to supplement the cost of family homelessness services and housing.

- 1. Allocated taxes:** tax on car rental, non-cigarette tobacco, food and beverages, real-estate, interest on mortgage loans, and property tax. (See following examples)

Location	Short Description	Results	Period
Georgia	Funds raised for permanent housing through car rental tax.	\$ 22,000,000	2013
Indiana	Permanent housing fund created with taxes on non-cigarette tobacco and a document recording fee.	\$ 7,000,000	2008
Nebraska	Funds raised on real estate sales as part of Nebraska's Documentary Stamp Tax. (\$.25 per \$1,000 of sales)	\$ 800,000	2013
North Carolina (Greensboro)	Portion of city property taxes allocated to affordable housing and homeless services. (\$.70 property tax levy)	\$ 1,300,000	2013
Miami Dade County	County food and beverage tax (85% dedicated to homeless services)	\$ 82,450,000	2013
California (San Francisco)	Citywide Tax Increment Housing Program - 20% of future gains on property tax devoted to building affordable housing.	10,000 new units over \$5,000,000	1990 - 2008
Washington (King County)	Support for the creation of affordable housing from a combination of funds including document recording fee and local levy initiative	\$ 34,000,000	Since 1990
Iowa (Polk County)	Polk County Housing Trust Fund - Funding pool including state funds, private donations, and interest on mortgage loans for permanent housing	Served 829 families	2010

2. Sale of State Bonds.

Location	Short Description	Results	Period
Iowa	Support for local and regional housing trust funds (22) by selling state bonds and general funds monies	\$ 6,000,000	2013
Wisconsin	Funding to support housing agencies made available through the sales of state revenue bonds	\$ 500,000	2013

3. Creation of non-profit entities to receive donations from individuals and businesses.

Idaho	Charitable "Housing Partnership" - receives tax deductible donations and provides grants for programs promoting self-sufficiency	\$ 169,000	2011
Illinois	Funds raised to improve shelter infrastructure through state income tax donations from individuals.	N/A	2013
Minnesota (Minneapolis)	Family Housing Fund - non-profit created to raise funds for affordable housing for families.	\$ 125,000,000 and 26,400 units	since 1980

4. Use of federal property: Over 30 states have accessed unused federal property for free under Title V of the McKinney-Vento Homeless Assistance Act. The National Law Center on Homelessness & Poverty estimates this to be one of the most underutilized available resources.



States, counties and cities are experimenting with innovative collaborations, use of existing funds, and tracking to bolster prevention of homelessness.

1. As many as 15 states are **using TANF and SSI funds** to help prevent family homelessness paying such things as short term aide to remain housed, housing subsidies lasting longer than 4 months, and subsidized employment. Mercer County NJ is experimenting with a single point of entry for homeless services which includes both intake and assessment.
2. Maine has created an integrated and **automated client eligibility system** which determines a families eligibility for all public assistance at a single point of entry.
3. New York City and Hennepin County, Minnesota have developed **screening tools to help identify families most likely to become homeless**. NY uses the tool with families applying for HomeBASE funds. Hennepin County uses the tool through its Family Homelessness Prevention and Assistance Program. Both provide a relatively inexpensive, simple model for other communities.
4. There are several examples of **collaborations involving government organizations, non-profits and community groups**. For example:
 - In the city of Chicago, four agencies were chosen to develop a Housing Locator Program to provide city-wide assistance for placement into private market housing.
 - In Virginia, a learning community of non-profits, government agencies and other entities working on family homelessness decided to embark on a rapid re-housing challenge to house as many families as possible within 100 days. The 545 families they housed represents a 52% increase in the rate of re-housing of these agencies.
 - The Family and Senior Homeless Initiative, in Denver, works with churches and synagogues throughout the city to provide support for homeless families. Each faith-based group sponsors one family providing mentorship, \$1,200 of financial support and grocery gift cards.



Slide 43

For additional information on mentioned programs, visit:

- Georgia - <http://www.investatlanta.com>
- Indiana - <http://www.in.gov/ihcda>
- Nebraska - [http://dhhs.ne.gov/children family services](http://dhhs.ne.gov/children_family_services)
- North Carolina (Greensboro) - <http://www.greensboro-nc.gov>
- Miami Dade County - <http://www.miamidade.gov/homeless>
- California (San Francisco) - <http://www.sfredevelopment.org>
- Washington (King County) - <http://www.kingcounty.gov>
- Iowa (Polk County) - <http://www.pchtf.org>

Slide 44

For additional information on mentioned programs, visit:

- Iowa - <http://www.iowafinanceauthority.gov>
- Wisconsin - <http://www.wheda.com>
- Idaho - <http://www.homepartnershipfoundation.org>
- Illinois - <http://www.dhs.state.il.us>
- Minnesota (Minneapolis) - <http://www.fhfund.org>
- Use of federal property - National Law Center (2013) http://www.nlchp.org/documents/This_Land_Is_Your_Land

Slide 45

For additional information on mentioned programs, visit:

- TANF and SSI - <http://www.cbpp.org/files/7-13-10tanf.pdf> and http://usich.gov/usich_resources/solutions/explore/ssi_sdi_outreach_access_and_recovery_soar1
- Maine automated client eligibility system - <http://www.cwhonors.org/viewCaseStudy.asp?NominationID=176>
- New York City screening tool – Shinn, M., Greer, A. L., Bainbridge, J., & Kwon, J. Z. (2013). Efficient targeting of homelessness prevention services for families. *American Journal of Public Health, Vol 103, NO. S2, 324-330.*
- Hennepin County screening tool - http://www.endhomelessness.org/page/-/files/3642_file_Promising_Strategy_Prevention_Targeting_in_Hennepin.pdf
- City of Chicago collaboration - http://b3cdn.net/naeh/880fb35b6224742820_x4m6id5cn.pdf
- Virginia learning community - <http://www.endhomelessness.org/blog/entry/545-families-in-virginia-now-have-homes#.U6GLR5VOVwE>
- Denver faith-based collaborative - Branaugh, M. (2012). Church and state for the homeless: How Denver's faith and civic leaders are working together to get families off the street and in to jobs and homes. *Christianity Today, November, 19-21.*



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Three possible projects for the next state administration all aimed at increasing families' access to public resources needed to avoid housing and income catastrophes.

Project 1: Integrated Eligibility project—begun but not completed. As part of the State's implementation of the Affordable Care Act's vision for a "single, streamlined eligibility and enrollment process" a project referred to as Health Insurance Exchange (HIX) and Integrated Eligibility System (IES) was proposed and initiated. The idea was for the system to streamline eligibility determinations through real-time data matching with state and federal databases. Initially HIX/IES would be using eligibility criteria from MassHealth with the first expansion planned to include DTA. The long term vision for the project was for HIX/IES to grow to become a common eligibility database for all of the HHS programs. With this integrated database a user could look at income, family size etc. and see the full universe of benefits available. The development of HIX/IES has been delayed by a variety of issues including technology infrastructure and data stability problems combined with significant usability and performance issues.

Project 2: Streamlined and coordinated service and data sharing across state agencies—on wish lists of current senior leaders. There are products on the market now that could make this a reality. Several years ago HSS staff participated in a demo from Efforts to Outcomes. Initially envisioned as resources for case managers to be able to get a broader picture of the services a client was getting from the state, a system like this would also be helpful in mapping services to outcomes.

Good data on how effective programs are is hard to find in the current disjointed system of assistance. There is no way to follow clients through the system to determine how successful the programs are. With this system or one similar, the state could analyze the effectiveness of program efforts, determine where/which programs are having the greatest impact, adjust and collaborate to improve service, use up-to-the-minute reports to communicate successes, and attract more funding with transparent demonstrations of effectiveness.

Project 3: Maximizing the promise of the Virtual Gateway. In 2005, the Executive Office of the Health and Human Services invested \$2,500,000 (\$3,120,150 adjusted for inflation)¹ in the creation of Virtual Gateway, an online portal designed to help people enroll in multiple state and federal health and nutrition programs with just one integrated application. Currently, over 23,000 individuals who represent over 1,600 organizations use this platform as they engage with various agencies within EOHHS². A question and opportunity for the next administration is: How might these three projects, already invested in by the state, be moved forward to the benefit of the families and the Commonwealth?

¹ http://www.massbudget.org/browser/line_item.php?id=1790901500.

²HHS Department, 2014

