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**Testimony of Mary Sheehan
Acting Commissioner of the Department of Transitional Assistance
Joint Committee on Ways and Means
Fiscal Year 2024 Budget
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Good afternoon, Chair Cronin, Chair LaNatra, and members of the Joint Committee on Ways and Means.

My name is Mary Sheehan, and I am the Acting Commissioner of the Department of Transitional Assistance (DTA). I appreciate the opportunity to join you to discuss the important work of our agency and how the Governor Healey's House 1 Fiscal Year 2024 (FY24) proposed investments supports our efforts to assist Massachusetts' most vulnerable residents by:

- Increasing and streamlining access to our benefits for individuals and families;
- Promoting economic stability for clients; and
- Continuing to modernize the Department's operations and EBT security efforts.

Our work is especially critical right now, as we prepare for the end to many federal pandemic administrative flexibilities related to the public health emergency and as we support our clients through termination of the extra federal food benefits they have come to rely upon.

DTA's mission is to assist and empower low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. I am proud to be with you today on behalf of the over 1,600 staff members at DTA who work daily to further our mission of serving the one in seven Massachusetts residents who access our programs. The Department administers the Supplemental Nutrition Assistance Program (SNAP), Transitional Aid to Families with Dependent Children (TAFDC), Emergency Aid to the Elderly, Disabled and Children (EAEDC), the state's SSI State Supplement Program (SSP), the Healthy Incentives Program (HIP) and provides important workforce training opportunities and supports.

We have four key priorities looking ahead to FY24:

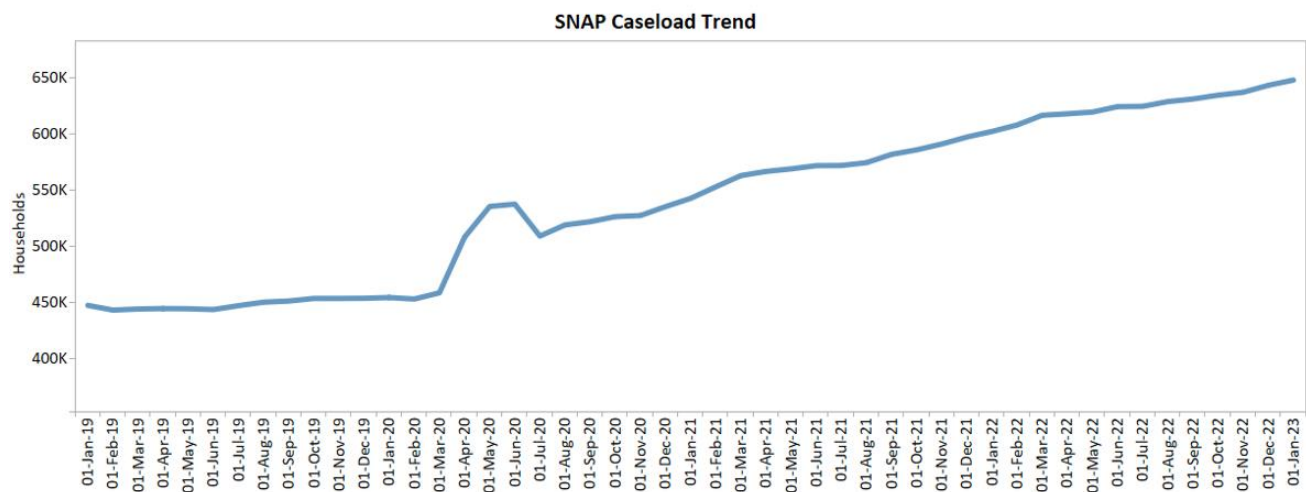
1. Managing the end of federal pandemic-related flexibilities and extra federal food benefits;
2. Further embedding equity-driven policies, procedures, and practices in our work
 - a. One example of this is the expansion of HIP, where the Department intentionally solicited farmers and farmers markets that served populations that had not previously benefited from the program and who could provide culturally appropriate options for those clients;
3. Continuing to modernize the agency's operations and services to improve service delivery; and

- Using every state tool available to alert clients and protect them from fraud schemes aimed at stealing their DTA benefits, including partnering with our EBT vendor and the federal government to modernize EBT card security.

The Healey-Driscoll Administration's FY24 budget proposal funds DTA at \$1 billion, enabling the department to advance these agency priorities and build on recent successes.

This past year, the SNAP, TAFDC and EAEDC programs saw continued increases in the number of households served, as a result of increased food prices due to inflation and the reverberating economic impacts from the COVID-19 pandemic. In addition, the SNAP caseload grew, in part because of the new measure that enables residents to apply for SNAP while applying for or renewing their MassHealth benefits online, as well as Project Bread's SNAP awareness campaign.

The agency expects to see continued high caseload levels as the Administration continues work on Integrated Eligibility & Enrollment. As of January 2023, more than 647,300 Massachusetts households receive food assistance through SNAP. That is 43% higher than pre-pandemic levels and a 7% increase from one year ago.



DTA's economic assistance caseloads continue to be affected by state-level legislative changes that expanded eligibility, including a 10% increase to the income thresholds this year, on top of the previous year's increases and the elimination of asset limits for these programs. As of January 2023, the TAFDC caseload was 39,500 households, a 15% increase over the past year and a 30% increase from pre-pandemic levels. The January 2023 EAEDC caseload was over 28,000 households, a 10% increase over the past year and 47% increase from pre-pandemic levels.

This year's budget proposal funds TAFDC at \$424.3 million and EAEDC at \$194.2 million in anticipation of continued caseload growth. These funding levels are 19% and 20% above FY23 spending plan amounts, respectively. The Administration will continue to closely track these caseloads and projected expenditures throughout the budget process.

To date, DTA has managed the growth in SNAP and economic assistance caseloads with the operational flexibilities that federal waivers and the Public Health Emergency (PHE) have provided as well as through the judicious use of overtime funded by ARPA. The Department is preparing for the end of these flexibilities by increasing staff hiring to help manage the higher workloads. Separate from the H1 budget proposal, a FY23 supplemental budget bill has been filed by the Healey-Driscoll administration to better support DTA's staffing needs and reduce the need for overtime long-term. DTA respectfully requests full and expeditious passage of

this bill to maintain DTA's commitment to provide excellent customer service and timely benefits to the vulnerable populations we serve.

The Administration's FY24 budget also increases the TAFDC line item to include two key initiatives that support the economic security of the Commonwealth's lowest-income families and their engagement with the agency:

- \$652,700 in anticipation of an increase in the number of TAFDC families with an infant receiving a \$300 infant allowance payment to help cover necessities such as cribs, infant clothing or other necessities for a newborn.
 - DTA is automating the process to ensure that every eligible family with a new baby receives this important support.
- \$90,000 and line-item authorization to pay stipends to participants in DTA family advisory boards who are also recipients of DTA programs or services.
 - The Administration values the voice and expertise of families who have lived experience with DTA's programs and services. Those participating in family advisory boards who are recipients of DTA programs and services will be provided with training and a stipend for their time and expertise.

Through modernized operations, maximizing all available federal flexibilities, and investing in technological changes to our online and telephonic services, including DTA Connect, DTA continues to maintain a high level of customer service even while facing increased caseloads. DTA Connect is the agency's free web-portal and mobile application for clients. While DTA offices are open across the state to provide in-person services, the majority of DTA clients choose to do business with the Department through its enhanced online and telephonic platforms because of the convenience. In calendar year 2022, there were 52,582 new users on the DTA Connect mobile app, and as more clients learn to utilize this technology, they can resolve all their needs without having to travel to an office. This is particularly important for the over 300,000 clients with disabilities and 236,000 seniors for whom such travel may be difficult.

It is also notable that in calendar year 2022, the agency sent more than 15 million text messages and 243,000 emails to clients.

With its focus on equity, inclusion, and language access improvements, the agency has significantly enhanced its online platforms. Virtual meeting options are available for clients with disabilities or medical conditions as an accommodation if they are unable to connect with DTA in person or telephonically. In terms of language access, DTA Connect is now available in Haitian Creole, in addition to English, Spanish, Vietnamese, Portuguese, and Simplified Chinese. DTA also recently added new features and security improvements to the mobile app, including the ability for clients to apply for SNAP and cash benefits, and complete SNAP recertifications and interim report forms.

For clients who wish to visit our offices, DTA has launched several new efforts at its local offices to improve accessibility and provide an equitable and inclusive experience. All reception areas at our local offices now have Pictorial Communication Boards to support clients who are Deaf, hard of hearing, nonverbal or have limited verbal or English proficiency. These boards include images and descriptive words in eight languages so that clients can successfully communicate the reason for their visit. Further, DTA recently procured a new interpreter services vendor through which the agency has expanded Video Remote Interpreter (VRI) auxiliary aid access to all local DTA offices. Overall, more than 300,000 clients with disabilities benefit from our inclusion of universal design principles in local offices, promoting both an accessible and equitable client experience.

The Administration is committed to promoting food security in the Commonwealth and strengthening its local food systems and economy. The 2023 Consolidated Appropriations Act created a permanent Summer EBT program that allows for \$40 in food benefits per month for eligible children. The House 1 FY24 budget proposal includes \$500,000 to support necessary system changes to implement this new program in time to administer it in Summer 2024. The federal government provides agencies with funding to cover 50% of administrative

expenses, so this will only be a \$250,000 net cost to the Commonwealth. In another food-related initiative, the agency opened a Notice of Opportunity to strategically onboard restaurants and food trucks for the SNAP Restaurant Meals Program (RMP) pilot. Under federal rules, the RMP allows individuals experiencing homelessness, people with disabilities and older adults (aged 60+) to use their SNAP benefits at select, participating restaurants and food trucks. The Department anticipates announcing the awarded vendors soon and will be working to help onboard them over the next several months, with the anticipation of opening the program to clients in the Fall.

This year's budget proposal also includes \$5 million for the Healthy Incentives Program (HIP) with an estimated additional \$10+ million from FY23 that will be authorized for spending in FY24. Last year, the agency announced over 100 new local HIP farm vendors, almost doubling the number of vendors participating in the program. Most of these new vendors are small-scale farmers who live in, or have close ties to, the communities they serve, while others are agricultural vendors with demonstrated capacity to serve high-need communities. In total, the \$15+ million invested in HIP will provide SNAP clients with a means to stretch their reduced food benefits at a time of extremely high food costs, while serving nutritious fruits and vegetables to their families. Massachusetts also provided SNAP-processing equipment and services valued at over \$160,000 to 110 farms and farmers' markets through three rounds of grants last year.

I especially want to thank the legislature for fully supporting the \$130 million request in the Administration's FY23 supplemental budget that creates an offramp from the extra SNAP Emergency Allotments, a benefit the federal government provided in response to the COVID-19 pandemic that significantly increased each household's monthly SNAP benefit. This extra federal food support ended effective February 2023. While the loss of the increased federal benefit will create challenges for these households, we are thankful for your partnership in temporarily easing that hardship.

Another important part of DTA's work is its support of our clients' economic mobility, in partnership with employment and training providers across the state, to advance clients on their path to long-term economic mobility and support a robust state workforce. Through DTA's Pathways to Work program, the Department is engaging with families to connect them with employment, education and training that lead to meaningful, tailored opportunities in high-demand careers. Pathways to Work provides families receiving TAFDC and SNAP with individualized career services, employing goal setting and coaching, to connect participants with opportunities that best match their individual career and family goals. Career pathway programs, when combined with supportive services and resources, make it easier for clients with barriers to employment to attain market identifiable skills and earn industry-recognized credentials necessary for higher wage jobs.

DTA is also focusing on leveraging partnerships within the workforce development system and employers to match the labor market demands in each region. Some examples include:

- The DTA Works Internship Program launched two new career tracks, in healthcare and education.
 - 1. DTA Works – HAST: Participants gain Health Administration Support Training (HAST) to prepare for entering a career in the healthcare field. Includes a paid 6-week health administration training through Project Hope – Boston and a paid 6-month internship with Mass General Brigham, with mentoring and supports.
 - 2. DTA Works – Paraeducator: Program offering skills training and preparation for the paraprofessional state certification exam. Includes job readiness and career exploration as well as education specific learning offered through Holyoke Community College and an internship or employment with the Springfield Public Schools or other public school districts.
- Partnership with HRD's Office of Enterprise Staffing & Support (OESS) on new strategies to connect individuals receiving public assistance with opportunities in high demand, entry level positions like direct care.

The Administration's FY24 budget proposal includes more than \$29 million to support this work to promote economic mobility and connect more clients with workforce opportunities. These investments consist of:

- \$19.6 million for our ESP Pathways to Work program;

- This includes an investment of \$1.5 million, in addition to the baseline funding of \$1.75 million, for the Massachusetts Office for Refugees and Immigrants (ORI) to enable them to serve the influx of immigrants to the Commonwealth through their Employment Supports Services Program.
- \$5 million for our Secure Jobs program, administered in partnership with DHCD;
- \$3.5 million for the two-generational economic mobility grant program in collaboration with the Department of Public Health; and
- \$1M for the Work Participant Program, jointly administered with the Department of Career Services (DCS) and the MassHire Career Centers.

Funding at both DTA and the Massachusetts Rehabilitation Commission (MRC) also supports our ongoing partnership, Empowering to Employ, to engage DTA clients with disabilities in vocational rehabilitation and job placement services at MRC. This program is currently available through five DTA/MRC offices and has 9.5 dedicated staff members. I am very happy to report that the FY24 budget proposal supports the expansion of this program to the remaining eight DTA/MRC co-located offices.

Finally, and unfortunately, in keeping with a national trend over the last year we have seen a substantial increase in criminal actors who are systemically targeting low-income households. These thefts are usually accomplished through *skimming*, in which thieves copy information from a device placed on Automated Teller Machines (ATM) or Point of Sale (POS) devices, *phishing*, in which thieves make direct contact via phone or text to solicit this information, or by using stolen identity information to initiate fraudulent benefit applications.

While DTA has implemented multiple strategies to protect client benefits, the bottom line is that we need additional resources to successfully slow down or stop these thefts. The Administration's budget proposal includes \$310,000 to purchase new functionality from the state's EBT vendor that would allow clients to remotely lock and unlock their EBT cards in the vendor's mobile application. We urge you to support the funding requested for this initiative.

DTA will continue to work with local, state, and federal law-enforcement authorities, the federal Food and Nutrition Service (FNS) and our EBT card vendor to improve benefit security. The Department is currently procuring a front-end identity verification application that will provide a strong tool to quickly detect fraudulent applications. It is also notable that Massachusetts was recently selected by the FNS as one of the five states to participate in the federal Mobile EBT pilot. This pilot is intended to improve EBT security by giving households the option to use mobile payment methods – like tapping or scanning their personal mobile device – as an alternative to using their physical EBT card.

I want to thank the legislature for supporting the \$2 million request in the Administration's FY23 supplemental budget that supports clients who had their benefits skimmed between April 1, 2022 and September 30, 2022. This funding will support a significant number of clients who had their benefits stolen and would not have been covered for reimbursement under the 2023 Congressional Consolidated Appropriations Act. The Act limits the reimbursement to benefits stolen between October 1, 2022, and September 30, 2024.

Thank you all for your continued partnership in addressing food and economic insecurity and promoting economic opportunity. I am grateful for the chance to provide this testimony to you today and look forward to working with you as we navigate the end of the pandemic flexibilities and extra food benefits, and as we continue to protect our clients from scams and improve our systems. I am happy to take any questions committee members may have.