

Commonwealth of Massachusetts Executive Office of Health and Human Services Department of Transitional Assistance

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> JEFF McCUE COMMISSIONER

Testimony of Jeff McCue Commissioner of the Department of Transitional Assistance Joint Committee on Ways and Means Fiscal Year 2026 Budget March 25, 2025

Good morning, Chair Kennedy, Chair Tyler, and members of the Joint Committee on Ways and Means. My name is Jeff McCue, and I'm privileged to serve as the Commissioner of the Department of Transitional Assistance (DTA). I am delighted to be here in Worcester and to come before you today to discuss our agency's work and the Governor's budget request before you. I find it a unique privilege to serve in this role and to work within an Administration whose priorities, even in challenging fiscal times, speak directly to the issues associated with affordability, opportunity, and family support within Massachusetts. After many years working with my colleagues at DTA, I have seen our organization adapt to face many different challenges. Our commitment to our clients is strong, and we remain focused on navigating the opportunities and obstacles that lie ahead.

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. Serving 1 in 6 residents of the Commonwealth, 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), SUN Bucks (known in its initial year as Summer EBT / Summer Child Nutrition Program), the Healthy Incentives Program (HIP), and provides workforce training opportunities and supports.

Over the last five years, the Department has experienced significant caseload growth in response to economic challenges facing Massachusetts families. While we are seeing a more stabilized food security caseload and some continued growth in our economic assistance cases, it is clear the need of Massachusetts communities for our services remains high – a need we don't expect to diminish in the face of federal changes to safety net programs that are likely to take place now and in the next few years.

As we enter FY26, we are focused on three key priorities:

- 1. Providing services that increase economic mobility for individuals and families
- 2. Utilizing technology systems and tools that streamline our work, enhance our clients' experiences, and complement the talent and commitment of our staff
- 3. Administering our programs with integrity, emphasizing the protection of clients from benefit theft

In recognition of these shared priorities and in the face of fiscal constraints and difficult decisions for the leaders of our state, I ask that you support Governor Healey's budget request for the Department of Transitional Assistance in FY26 as we seek to help meet the basic needs of Massachusetts' most vulnerable residents and promote economic mobility.

About the Department of Transitional Assistance

Before I delve into more detail about the specific investments that House 1 would make for the Commonwealth's residents, I'd like to walk you through the Department's recent history and composition of its staff and clients. In the face of rising costs of living and economic pressures, the Department's caseload has grown substantially over the past several years. To put this growth in perspective, since July 2019, DTA's average monthly caseload increased by 48% (+219K households) in SNAP, 49% (+14K households) in TAFDC, and 70% (+13K households) in EAEDC.

This work to support Massachusetts residents would not be possible without our dedicated staff. The Department has more than 1,900 employees working throughout the Commonwealth. Thanks to the efforts of this team, DTA has delivered vital supports to Commonwealth residents in the face of significant challenges. The Department employs some of the most compassionate and dedicated people I have ever worked with. I want to thank them for all of their hard work, especially over these last few years. With the support of the Governor and the Legislature through past budget actions, we have been able to bring on new staff to help address our growing caseload.

In FY25, DTA expanded its workforce by 300 positions to address caseload growth and expending client needs. Governor Healey's House 1 budget allocates \$148 million for DTA's direct service staff, a 46% increase from FY25 GAA. This funding sustains DTA's post-pandemic workforce and funds salary increases established through recent collective bargaining agreements. Maintaining these funding levels in FY26 is essential to support DTA's client engagement and necessary supports for our clients.

The House 1 budget provides \$112 million for DTA's administrative operations, funding direct service resources including Transitional Assistance Office (TAO) front end staff and administrators, hearings officers, and ombudspersons, as well as supports for benefit maintenance like client communications, which ensure clients receive information about managing their benefits. Maintaining this funding level is especially critical in FY26 as DTA continues to serve historically high numbers of clients and promote ease of access to those requiring our support.

While almost all DTA services can be secured telephonically or online, we have also expanded our physical footprint this year. In order to meet the growing demand of our services in the greater Boston area, DTA opened a second office in Boston. The new office is located at 1785 Columbus Avenue, near Jackson Square in Roxbury. This new location complements DTA's existing high-volume office in Nubian Square. Clients have been assigned between the two offices to ease the current high volume at Nubian Square. While our Jackson Square office just opened in late January, we expect it to better support Boston-area clients by offering more space, another option for in-person needs, and more efficient client service. Your support last year made this possible; thank you.

We continue to collaborate with your legislative offices to assist constituents in need. This partnership is essential for helping clients overcome barriers to accessing our services. While we acknowledge our current demand has contributed to certain areas of service requiring continuous improvement, we are actively working to enhance accessibility, streamline the application process, and implement new technologies to better serve our clients.

Provide the services individuals and families need to increase their economic mobility

Food Security and Nutrition

As of February 2025, there were over 1,080,000 SNAP recipients -- 24% of whom are older than 60, 28% of whom have a disability, and 32% of whom are children. The average monthly SNAP benefit in the Commonwealth is \$331 per household per month. Of the SNAP households in the Commonwealth, 68% are living below the federal poverty level, which is less than \$21,150 a year for a household of two.

This past summer, the Healey-Driscoll Administration successfully launched a new program to address food insecurity during the challenging summer months when children lose access to school meals. The Healey-Driscoll Administration opted in to the federal program known as SUN Bucks (formerly Summer EBT), which in its first year brought in nearly \$70 million in federal funds directly to 550,000 children across the Commonwealth. Families received \$120 per eligible child. The majority of families were automatically enrolled by their participating in qualifying programs such as SNAP, TAFDC, or MassHealth. The program complemented the state's Summer Eats initiative and expanded on Massachusetts' commitment to feeding children, including the Administration's early win on universal free school meals, and other food security measures.

Building on these efforts to improve food access year-round, the Healthy Incentives Program (HIP) helps SNAP recipients access fresh, locally-grown produce by providing reimbursements on their EBT cards for purchases from local farm vendors. Since 2017, HIP has connected families with over \$81 million of healthy produce from 250 large and small-scale farmers in their communities. With targeted investments, HIP was intentionally expanded during the pandemic to address longstanding inequities in healthy food access in high need communities, particularly communities of color. To ensure continuous program operations and healthy food access in these communities, we have implemented necessary adjustments reflected in the Governor's H.1 budget.

In addition to administering this federal program, our SNAP team works alongside more than 100 partner agencies and community partners to bolster food security in the Commonwealth. One such partner is the Worcester Community Action Council located right here in Worcester. This organization serves as one of our SNAP Outreach Providers, helping eligible people in the greater Worcester area access our programs and services. They help educate and enroll eligible families in our programs and ensure that they are receiving the critical support that they need. But their contributions to the Worcester community extend significantly beyond our partnership, encompassing fuel assistance programs for families facing heating cost challenges, providing Head Start educational initiatives for children, and complimentary tax preparation services for qualifying individuals. Through our strategic partnerships with organizations like the Worcester Community Action Council, DTA is establishing comprehensive support networks that address multiple dimensions of economic hardship while creating viable pathways toward financial independence and mobility.

Economic Assistance Programs

The Department administers three economic assistance programs that provide direct financial assistance to parents, caregivers, children, older adults, and people with disabilities throughout the Commonwealth.

Our state's Temporary Assistance for Needy Families (TANF) program, known as Transitional Aid to Families with Dependent Children (TAFDC), provides financial assistance to families with children and certain pregnant women with little or no income. As of February 2025, TAFDC serves over 109,306 recipients, of whom 65% are children, with an average monthly grant of \$708. Beyond financial assistance, the program provides parents and caregivers with free employment and training programs, as well as essential childcare and transportation assistance.

The Administration has carefully considered the allocation of resources for FY26 to ensure the most effective support for families in need. While the decision not to include the entire 10% increase for TAFDC and EAEDC was a challenging one, it reflects a commitment to balancing competing priorities within a constrained budget environment.

This approach allows DTA to sustain essential services across its programs and invest in targeted supports aimed at fostering long-term economic stability for families. DTA remains committed to evaluating future opportunities to enhance TAFDC benefits as fiscal conditions allow and continues to advocate for comprehensive strategies that address the root causes of poverty and improve outcomes for Massachusetts families.

One targeted investment we are making in House 1 reflects the Healey-Driscoll Administration's commitment to advancing health equity and improving maternal health outcomes: a \$700,000 investment to expand TAFDC eligibility to cover the entire pregnancy period, rather than just the third trimester. This change will provide essential support for housing, food, and transportation throughout pregnancy, addressing key social determinants of health by ensuring pregnant individuals can access critical resources from the start of their pregnancy, particularly in communities that have historically faced disparities in care.

Massachusetts is one of 25 states that provides cash benefits to elderly and disabled individuals without children through the Emergency Aid to the Elderly, Disabled and Children (EAEDC) program. Currently, EAEDC serves approximately 33,042 recipients with an average monthly grant of \$450.

Through the SSI State Supplement Program (SSP), we provide additional support to over 168,000 recipients, offering an average supplement of \$76 monthly in addition to their federal SSI payment.

Employment and Training Programs

For FY26, the Department remains committed to leveraging our existing workforce partnerships to support families in achieving long-term economic mobility and empowerment through meaningful participation in today's workforce. Our Pathways to Work program serves as a key initiative, connecting individuals to employment, education, and training opportunities that lead to careers in high-demand fields. The program provides essential work supports to empower clients with the skills needed to contribute to the Commonwealth's workforce. As the Pathways program continues to succeed in its mission, we often see an impact on our TAFDC caseload, reflecting our clients' transition to gainful employment and increased income levels, a clear indicator of the program's effectiveness in fostering economic self-sufficiency and mobility.

Through Pathways, families receiving TAFDC and SNAP benefits receive individualized services that address barriers to employment and prepare them for career pathways offering livable wages. This comprehensive approach includes goal setting, coaching, and upskilling opportunities that align participants' unique career and family goals with high-demand sectors and occupations. By integrating career pathway programs with supportive services and resources, we enable clients to acquire marketable skills and industry-recognized credentials essential for higher-paying positions.

The program's impact is evident in our current year outcomes. In the first two quarters of FY25, we witnessed 3,041 new client enrollments in Pathways programs, with 693 participants graduating into gainful employment and 328 achieving educational credentials. Through our largest Pathways program, Competitive Integrated Employment Services (CIES), clients are securing employment at an average hourly wage of \$19.25, working an average of 30 hours per week.

The budget also includes an \$8 million increase in the Supplemental Nutrition Assistance (SNA) benefit. This program strategically supports working families who are actively pursuing economic independence by providing a moderate additional benefit to employed SNAP recipients who meet work requirements. This benefit helps bridge the gap for families working to improve their financial situation and supports them as they pursue meaningful employment.

With the federal proposals to reduce spending, we expect this to come from reducing benefit levels, as well as tightening eligibility rules. DTA expects an increase in work requirements for benefit eligibility. This will likely have a twofold impact on our programs: we expect fewer people to retain eligibility, and additional demand for employment and training programs that help people meet work requirements.

Utilizing technology systems and tools that streamline our work and are operational around the clock to support staff and clients

DTA has permanently transformed its service delivery model to better serve both clients and staff. Substantial investments in IT infrastructure have significantly expanded client access while enhancing staff capabilities. Our service model now includes comprehensive online applications for all programs, expanded mobile transaction capabilities, and 20 client-facing offices providing in-person services five days per week. Additionally, DTA continuously evaluates its operations to identify and implement new technologies and opportunities that enhance our workforce's capacity to serve clients while eliminating barriers to accessing services. For the upcoming fiscal year, we're engaging further technological advancements.

A cornerstone of our modernization efforts that will come to fruition in the coming weeks is the transition to a new Electronic Benefit Transfer (EBT) card vendor. This transition will deliver more reliable service while enhancing the client experience. We have carefully designed the implementation to maintain continuity of our existing infrastructure, including DTA Connect and the DTA Assistance Line, ensuring minimal disruption to both clients and staff. Our partnership with the new vendor positions DTA well for future advanced security features, including mobile payment and chipped EBT cards. To ensure successful implementation, DTA will provide comprehensive staff training and extensive client and stakeholder education on the new EBT system tools and protocols.

The vendor transition includes a redesigned EBT card that addresses the stigma associated with the current card's distinctive appearance. Through engagement with clients and advocates, we developed a new design that aligns with contemporary payment card aesthetics while maintaining essential accessibility features, including the option for a vision impairment notch.

In partnership with the Executive Office of Health and Human Services (EOHHS), DTA continues to advance the Integrated Eligibility and Enrollment (IE&E) initiative through the development of OneDTA, a unified application system across all DTA benefit programs including SNAP and Economic Assistance. This new platform, accessible via both web and mobile devices, will streamline the application process for SNAP, EAEDC, and TAFDC programs while serving as a foundation for future integration with broader EOHHS programs. OneDTA features expanded language options, improved accessibility, and enhanced client safety features, including updates for gender identity and ethnicity inclusivity. Additionally, in 2024, the Department enhanced DTA Connect through the Update My Information (UMI) initiative, enabling clients to independently manage their profiles and case information through self-service options, while maintaining direct staff support for those who prefer it, allowing staff to focus resources on clients requiring or preferring personal assistance.

We're committed to ensuring our online services are accessible to everyone. Ahead of federal accessibility requirements in 2026, we are working through the process to bring in a third party accessibility reviewer to work with us on our combined program online application and in ongoing work.

We have also expanded our partnerships to enhance client services, exemplified by our collaboration with the MBTA on their new low-income fares pilot, which launched in September 2024. The program has seen significant success, with 17,892 riders enrolled as of mid-January. Of these enrollments, 65% received automatic approval, 30% went through manual approval, and 5% were approved through in-person verification. This program extends discounted fares to riders aged 18-64 who participate in qualifying state assistance programs, including DTA programs, MassHealth, and MassGrant. The comprehensive fare reduction applies across all MBTA services, improving transportation accessibility and affordability for many residents.

In partnership with EOHHS, DTA has also expanded its partnerships with utility companies to streamline how benefit recipients access discounted services. Instead of requiring clients to manually prove their eligibility for utility discounts, these companies are now able to verify eligibility directly in real-time. By combining data from both DTA and MassHealth and expanding partnerships with service providers, the Department expects to see a significant increase in the number of eligible households that can access these available discounts.

Through strategic partnerships, we're creating an accessible and inclusive gateway to services for all Massachusetts residents. Our new collaboration with the MBTA, combined with established relationships with utility providers, the Department of Public Health and the WIC program, MassAbility, and the Department of Children and Families, dismantles barriers between services and strengthens economic opportunity across the Commonwealth. As we look ahead, we're committed to forging innovative partnerships that will enhance our ability to serve our clients and meet their evolving needs.

Administer our programs and services with integrity, with a focus on protecting clients from theft

In an increasingly complex threat landscape, the Department is focused on safeguarding client benefits and maintaining program integrity as sophisticated criminal enterprises target public benefits both in Massachusetts and across the country. DTA has implemented a multi-layered strategy that combines technological solutions, enhanced monitoring systems, direct client communication, and rapid response protocols to protect benefits provided to our clients.

Currently, criminals primarily target our clients through two sophisticated methods: skimming and phishing. Skimming involves installing data-capture devices on ATMs and point-of-sale terminals to steal card information. Phishing campaigns use targeted phone and text messages designed to deceive clients into revealing personal information. To combat emerging threats, our anti-theft initiatives operate through three critical domains.

First, we have continued to expand our technological capabilities as far as our current vendor's support. A cornerstone of these efforts is our new EBT card locking feature that we launched in late 2024 through DTA Connect. This security measure gives clients direct control over their card activity, allowing them to instantly lock and unlock their EBT cards. When locked, all transactions are blocked, providing protection during periods when the card is not being used. We've enhanced transaction monitoring systems to detect suspicious patterns, while expanding our client education programs on security best practices. Regular security audits of all EBT

transaction points and secure communication channels for benefit-related notifications form the foundation of our protective measures.

Second, our rapid response and recovery protocols enable our dedicated teams to quickly identify and investigate stolen benefits. We've streamlined the reporting process and enhanced our capability to rapidly freeze compromised accounts as fast as we can. Our staff receives ongoing training to identify emerging theft patterns and respond effectively to new attempts.

Third, DTA maintains robust partnerships with oversight agencies, law enforcement at all levels, the federal Food and Nutrition Service (FNS), the Office of the State Auditor Bureau of Special Investigations, the Office of the Inspector General, and our EBT vendor. These partnerships enable real-time information sharing about emerging threats, coordinated responses to criminal activities, and the development of preventive measures against future attacks.

As administrators of over \$1 billion in federal and state benefits serving the Commonwealth's most vulnerable populations, we recognize that every dollar stolen represents essential resources taken from families in need. I want to be clear: organized criminal activity has become a pervasive and persistent threat to client access to benefits. The Department is taking significant steps within its control to maintain benefit security, however, is encountering barriers including card limitations, loss of federal funding for replacement benefits, and evolving schemes aimed at stealing people's funds.

Looking ahead, we've invested in and are exploring future security enhancements, including the implementation of tap-to-pay, chip-enabled EBT cards, and advanced mobile security features. These improvements will incorporate enhanced encryption protocols for all transactions, expanded real-time fraud detection capabilities, and additional client-controlled security features to further strengthen benefit protection. We will use every tool at our disposal to stop these criminals from targeting our clients.

Conclusion

We deeply appreciate your ongoing partnership in our shared mission to address food and economic insecurity and promote economic mobility and independence through the Commonwealth. As we have seen time and time again, DTA's services are an essential lifeline for Massachusetts families during economic hardship, making your continued support all the more important. The Healey-Driscoll Administration's FY26 budget proposal includes a \$1.2 billion allocation to DTA, which will enable us to build upon our recent achievements and increase access to our services and assistance.

At this moment in our country's history, we're experiencing the start of what will likely be a challenging few years in terms of federal programs, policies, and funding. The support of the Commonwealth to our most vulnerable residents is particularly critical during this time, as we face uncertainty and attacks on vital programs that put funds directly into the hands of people experiencing deep poverty.

Thank you for the opportunity to present this testimony to you today. Your commitment to serving low-income constituents in your communities is instrumental to our shared success, and I invite you all to join us on a visit to one of DTA's local partners in your districts to see their life changing work, firsthand. I welcome any questions Committee members may have and am happy to provide any additional information.