

**Testimony in Support of
Assisting Elders and People with Disabilities
S.356 (Sen. Jehlen) and H.621 (Rep. O'Day)**

Before the Joint Committee on Elder Affairs

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Thank you Chair Jehlen, Chair Balsler and members of the Committee for the opportunity to provide testimony in support of S.356 and H.621, An Act Relative to Assisting Elders and People with Disabilities in the Commonwealth. And thank you, Senator Jehlen for your lead sponsorship of this important bill.

MLRI is a nonprofit statewide poverty law and policy center. Our mission is to use the law to advance economic, racial and social justice. For over fifty years, MLRI has advocated for families, individuals, and communities living in poverty. We pursue systems change through litigation, legislative advocacy, administrative advocacy, coalition-building and other strategies to address laws, policies and practices that harm low income people. We also provide technical support and substantive expertise to frontline legal aid field programs and other providers who serve low income communities in Massachusetts.

MLRI has worked for many years to address deficiencies in the state's cash assistance programs – Transitional Aid to Families with Dependent Children (TAFDC) and Emergency Aid to the Elderly, Disabled and Children (EAEDC). Both programs provide benefits that are critical but insufficient to meet the basic needs of our lowest income families and individuals.

Currently, MLRI is co-leading a campaign to Lift Kids Out of Deep Poverty. In addition to proposing increases in TAFDC benefits for families, the Lift Kids Out of Deep Poverty bills, S.36 (Sen. DiDomenico) and H.102 (Rep. Decker), also address the shocking inadequacy of EAEDC benefits. **The monthly EAEDC grant for a single person with no income is only \$303.70, only 29% of the federal poverty level, currently \$1,040 for one person.**

The EAEDC grant was last increased in 1988. Moreover, **the EAEDC grant has lost value even without adjusting for inflation**, because the legislature in FY 2004 eliminated the meager \$35 a month rent allowance that was previously provided to EAEDC recipients who paid for private, unsubsidized housing.

Adjusting for inflation, the EAEDC grant has lost 60% of its value since 1987.

Almost all EAEDC recipients are elders and/or persons with disabilities. Our EAEDC clients typically suffer from a constellation of disabilities including degenerative arthritis, poorly

controlled hypertension, depression, and cognitive impairments. The very low grant amounts are woefully insufficient to meet their basic needs. The individuals' precarious financial circumstances aggravate their medical problems, including in particular depression. For example, in one of our cases, the client became so depressed he had to be hospitalized twice in the previous year.

The bills before you would raise the one-person EAEDC grant to \$428 a month and then increase it after that by the increase in the Consumer Price Index. The bills to Lift Kids Out of Deep Poverty would raise the EAEDC grant by 10% a year until it reaches half of the federal poverty level and then would increase grants so they keep pace with half of the poverty level. Half the federal poverty level for one person is currently \$520 a month. Thus, the bills to end deep poverty would raise EAEDC grants somewhat higher the bills before you but more gradually. **Both the bills before you and the bills to end deep poverty provide a much needed mechanism to insure that grant levels keep pace with inflation** so that grants do not again suffer the drastic erosion that has been allowed to occur over the past 30 years.

S.356 and H.621 also address the EAEDC program's shockingly low asset limit of \$250, increasing it to \$2,500. (The TAFDC asset limit is now \$5,000). The bills also would raise the EAEDC vehicle limit from \$1,500 in equity value to \$15,000 market value. Unlike Massachusetts, eight states' cash assistance programs for families have eliminated asset limits altogether. This is cost effective for the states and beneficial to the families since administering asset limits adds to program complexity, sends the wrong message about saving, and harms families trying to attain financial stability. *See, e.g.,* Pew Charitable Trusts, *Do Limits on Family Assets Affect Participation in, Costs of TANF?* (July 2016), https://www.pewtrusts.org/-/media/assets/2016/07/do_limits_on_family_assets_affect_participation_in_costs_of_tanf.pdf.

As a practical matter, EAEDC and TAFDC recipients generally have little or no savings so the TAFDC asset limit of \$5,000 imposes administrative burdens on the agency and requires families to provide verification that may not be readily available, but rarely excludes families from benefits. The EAEDC limit of \$250, on the other hand, has enormous adverse consequences for individuals in addition to entailing administrative costs. An EAEDC applicant with savings as low as \$251 must be denied and then reapply even though it is obvious the person will qualify once \$1 is spent. If the individual does reapply, the agency has to process the application again, wasting administrative resources and delaying the benefits the individual urgently needs.

In addition, we see clients who are charged with an Intentional Program Violation for going over the \$250 asset limit. In the typical case, the individual might have received a small tax refund or credit and DTA counts that money as an asset. In some cases, EAEDC recipients – many of whom have cognitive impairments – don't know they have money in the bank so the small "asset" sits untouched for a long period of time. Years later, when DTA pursues the Intentional Program Violation, the individual typically does not understand what DTA is claiming, invariably has no documentation about the nature or amount of the asset, may have no memory of the asset supposedly received years before, and is unable to defend the charges. The result is disqualification from EAEDC for 6 months for the first violation, 12 months for a second violation, and permanently for a third violation. To make matters worse, DTA treats

every month the individual was over-asset as an overpayment. So an asset of \$300 sitting in a bank account for a year results in an overpayment of more than \$3,600. If the individual requalifies for EAEDC, the meager benefits are reduced by 10% a month until the alleged overpayment is paid off.

Other situations we have seen also highlight the adverse consequences of the \$250 asset limit and the \$1,500 limit on the equity value of a vehicle:

- An EAEDC recipient who had overdrawn her bank account deposited \$400 consisting of borrowed money plus most of her monthly EAEDC benefit to cover the overdraft and fees. DTA charged her with an overpayment because her account showed the \$400 deposit.
- An EAEDC applicant had a car (equity value \$2,000) he used to get to medical appointments. DTA moved to terminate because the car value exceeded the EAEDC limit of \$1,500 in equity. An advocate persuaded DTA to grant him an accommodation based on disability. This positive result was achieved at a cost of a great deal of DTA time and advocates' time and caused the individual enormous anxiety.
- An elderly woman's children titled some small value stocks in her name and their names. DTA took steps to terminate her EAEDC. Eventually, the children persuaded a hearing officer that the stocks did not count as an asset because the woman could not sell them without her children's consent. This unnecessarily wasted DTA administrative resources and caused the client great anxiety.
- A woman owned a mobile home with her abusive ex-husband. An advocate had to intercede to prove that the woman could not sell the mobile home without his consent and therefore the asset was not countable for EAEDC.

The very low grant amounts and asset limits for the EAEDC program cause great distress and harm to vulnerable elders and persons with disabilities, denying them the dignity and security of basic subsistence benefits.

I urge the Committee to report these bills favorably as quickly as possible. Please contact me at (617) 357-0700 x 313 with any questions about my testimony. Thank you for your consideration.