



The Arc of Massachusetts FY27 Budget Information & Requests

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The Arc of Massachusetts represents and advocates for over 250,000 individuals with intellectual and developmental disabilities (IDD) and autism. Our priorities center on **access to services, workforce stability, and supporting the most vulnerable members of our community.**

Our community is facing a perfect storm of challenges: a persistent workforce crisis, federal funding uncertainty, and growing need for services. In this moment, we need the support of our state lawmakers to protect vital services, particularly in state budget decisions.

The below is our analysis of the Governor's H2 budget proposal, and our current budget requests to the Legislature.

Department of Developmental Services

The budget proposal for the Department of Developmental Services (DDS) contained largely maintenance funding with some increases based on need. The increases include areas such as services for adults with autism and no intellectual disability, family support, and residential services. **We are grateful for this and urge the Legislature to hold these line items steady and consistent with H2.** Increases will continue to be needed overtime to meet growing demand and changing needs.

Upholding the Human Services Workforce Through Chapter 257

The workforce crisis remains one of the greatest barriers to accessing services. Staffing shortages due primarily to low rates of pay have resulted in reduced program capacity and lengthy waitlists, especially for those with high support needs. According to ADDP, there are 1,800 individuals waiting for services. There are 450 individuals who are deemed "priority 1" by DDS (highest need) waiting for a group home placement. This crisis is worsened by immigration impacts, rising health care costs, and cost of living increases.

The Governor's proposal commits to fully funding Chapter 257 at the 53rd percentile, requiring \$260 million. H2 includes just \$175 million in this line item, with the expectation that the remaining \$85 million will be found in funds reverted from FY26 or through a future spending vehicle. **We ask that the Legislature fully fund Chapter 257 at the 53rd percentile.** Maintaining this commitment is critical to stabilizing the workforce, reducing waitlists, and preventing service disruptions.

Protecting DESE/DDS Residential Placement Prevention Program

The DESE/DDS Residential Placement Prevention Program is a crucial program allowing individuals, particularly those with complex needs, to remain in their communities with appropriate support.

For the past several budget cycles, this program has been funded at \$10.5 million. It is not clearly allocated in H2, though we do understand that there is a commitment to fund this program consistent with FY26. **We request that the Legislature clearly allocate funding for this program. We also believe that additional funding is needed to serve additional families, and as such will be seeking an additional \$1.2 million in this line item.** This program prevents higher-cost residential placements and preserves stability for families.

Ensuring the Sustainability of Vital MassHealth Programs

The MassHealth budget includes a rate freeze, which will mean limited progress on existing waitlists, including for programs like Day Habilitation. This is concerning for FY27, but we are deeply concerned about future funding levels as federal impacts compound.

H2 proposes targeted cost containment measures be developed by working groups focusing on Personal Care Attendant Services (PCA), Adult Foster Care (AFC), and Adult Day Health (ADH). While significant cuts are likely, it is important that advocates are at the table in these discussions. The Arc is actively participating in the PCA and AFC work groups to ensure that any cuts minimize harm and preserve community-based supports.

These programs allow individuals to remain at home and in their communities. While cost control is understandable, reductions in these areas often shift burdens to families or result in higher long-term costs. As these working groups begin discussions, we look forward to working with the legislature to ensure that we are balancing the need to control growth with how important these programs are to many in our community.

The Arc's FY27 Budget Requests

- Maintain DDS funding levels consistent with H2, acknowledging that increases will be needed to address those who are unserved and to meet growing and changing demand
- Maintain the commitment to benchmark Chapter 257 rates to the 53rd percentile
- Clear allocation and expansion of the DESE/DDS Residential Placement Prevention Program
- Protection of MassHealth community-based services, including Personal Care Attendants (PCA) and Adult Foster Care (AFC)

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