

Date: February 20, 2024

To: Respectfully submitted to the House and Senate Appropriations Committees

Cc: House Human Services and Senate Health and Welfare

By: Amy Rose on behalf of the [Reach Up Coalition](#) (20 organizations)

Thank you for the opportunity to weigh in on the Fiscal Year 25 budget. Currently, Vermont is failing to meet the statutory requirements of the Reach Up program. These stipulations were established to ensure that Reach Up meets the immediate basic needs of children in Vermont. In failing to meet these requirements, Vermont undermines the stated purposes and the effectiveness of the program. Changes to the Fiscal Year 2025 budget will increase Reach Up's effectiveness and will have a significant positive impact on children, youth, and families.

Pursuant to 33 V.S.A. § 1134, the program evaluation of Reach Up requires: *(7) a description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance **adjusted to reflect an annual cost-of-living increase.***

- The Governor's Recommended FY25 Budget includes a growth rate of 3.57 percent, yet there is no increase for families receiving Reach Up. In fact, this year's base appropriation is less than last year's (based on projected case load declines).
- Year after year, the administration presents an evaluation that demonstrates the tremendous gap between [actual basic needs](#) and what Reach Up grants provide to families. And year after year the Administration submits a budget without addressing this gap.
- **There is no automatic adjustment to the base Reach Up grant for inflation.**

Pursuant to 33 V.S.A. § 1102, one of the stated purposes of Reach Up is : *(6) to improve the well-being of children by providing for their immediate basic needs, including food, housing, and clothing.*

- The formula that is used to determine Reach Up benefits is inadequate and out of date. The housing allowance is based on what families receiving Reach Up reported spending on housing in 2001, rather than on an objective measure like current fair market rent. **Using an outdated, 2001 cost of housing figure artificially deflates the benefit and is in direct opposition to the goals of the program.**
- Even with this out of date formula, the proposed budget does not meet Reach Up's statutory obligation. Based on the [Jan 29, 2024 report on unfunded budget pressures](#) the **state's obligation for Reach Up is \$56.05 million**, yet the Governor's budget maintains a 49.6% ratable reduction, **reducing the necessary appropriation by \$28.25 million**. This is after the passage of [H.94 \(Act 49\)](#), outlining lawmakers' intent to eliminate the ratable reduction over the next five years.
- **The Governor's Recommended FY25 Budget does not provide for immediate basic needs of Vermont's children and families.**

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Pursuant to 33 V.S.A. § 1102, another stated purpose of Reach Up is : (5) *to measure the success of the system by what is best for children;*

- **Fully funding the Reach Up benefit is “what is best for children”.**

The Reach Up Coalition is pleased to see the newly formed Government Accountability Committee within the Legislature. We see the Governor's Recommended FY25 Budget as an important opportunity to seek accountability to the following questions:

- Did the Administration apply its own [equity impact assessment tool](#) as it made important Reach Up budget decisions?
- Were those most impacted by these choices consulted?
- The Administration's [current strategic plan](#) has four major categories, including “Protecting the Vulnerable”. It states “*We will protect the most vulnerable by providing services and benefits aimed at lifting more Vermonters out of poverty, ensuring the greatest degree of participation and independence, protecting children, and improving overall health and wellness of our communities.*” The first breakthrough indicator in the Plan is “Percent of Population Living at or Below 200% FPL”. The income required to get a family of four at or below the 200% federal poverty threshold is \$61,800. The Reach Up Coalition understands that Reach Up is not the only tool to get to that level of stability. However, we must ask - how does Reach Up's current maximum stipend, which is \$12,000 a year (for a family of four), align with “what is best for children”?

The Legislature and the Administration also must acknowledge the burden that a decision to underfund Reach Up places on other community providers (food banks, diaper banks, special funds, emergency housing, schools, child protection, and more). Transferring this service and support burden creates other, continuing budget pressures and requires more time and resources of our families and our service provider community.

We can do better. Please take action in your FY25 Budget to improve the Reach Up benefit.

Respectfully,
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Julie Lowell, Public Assets Institute
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