

Support for Amendment of H.790

Use Savings, Not “Setbacks” to Fund Reach Up Proposal

April 4, 2014

Senate Health and Welfare Committee
Sen. Claire Ayer, Chair
Statehouse
115 State Street
Montpelier, VT 05633

Dear Sen. Ayer and Members of the Committee:

We, the undersigned, support the goals and policy outcomes associated with H.790 (“An Act Relating to Reach Up Eligibility”). The purpose of H.790 is to help working families on Reach Up earn and save more from employment and help solve the “benefits cliff” problem. This is an exciting proposal that will create greater financial security for some Reach Up families. **We support the goals of this bill, but oppose its current funding source.**

We believe there is a better way to fund this initiative. The bill as passed by the House bifurcated the effective dates for implementing the policy. As a result, there is time before the full fiscal impact of this legislation comes to pass. We urge your committee to amend the bill to provide for budget savings, surplus, or caseload reduction to serve as the primary funding source for the bill. **Given an additional year to realize savings it makes no sense to cut Reach Up benefits today, when savings may be achieved tomorrow.**

As you know, Reach Up grants already only provide for 49% of basic needs for households with children. Reducing grants for families who cannot work, or who are in deferred or exempt status as to work requirements, would create more hardship and financial insecurity for those families – ironically achieving the opposite of the intent of this legislation for many families who may not be in a position to take advantage of its benefits. A reduction of just \$16 to \$20 per month may not sound like much. But, for some families that is enough for diapers and dairy for the week. The goal is to create incentives to work for Reach Up families and help everyone get ahead, not to create “winners” and “losers” within the program.

We urge you to support an alternative funding that favors “savings not

setbacks” for families (the natural consequence of grant reductions).

Reductions are unnecessary in this year’s budget because the policy is being phased in gradually. Why cut this year when you don’t have to? We hope your committee will strongly consider a “win-win” approach that implements what is widely acknowledged as progress over existing policy, without making the proposed gains come at the expense of the lowest-income Vermonters who cannot, or are not required to, work.

Please consider a modest amendment to this important legislation that ensures funding through savings, not setbacks, for Reach Up families.

Thank you for your consideration.

Vermont Legal Aid
Voices for Vermont’s Children
Vermont Low Income Advocacy
Council (VLIAC)
Vermont Affordable Housing
Coalition (VAHC)
Main Street Landing
Lund Family Center
Vermont Works for Women
Vermont State Housing Authority
Vermont-NEA
Vermont Retired Teachers
Hunger Free Vermont
John Graham Shelter
Vermont Parent Child Center Network
Committee on Temporary Shelter
Northeast Kingdom Community
Action (NEKCA)
Chittenden County Kinship
Samaritan House
Vermont Network Against Domestic
and Sexual Violence
Vermont Coalition for Disability
Rights (VCDR)
Good Samaritan Haven
KIN KAN Vermont
Upper Valley Haven

Central Vermont Community Action
Council (CVCAC)
Morningside Shelter
Vermont Center for Independent
Living (VCIL)
Spectrum Youth Services
Disability Rights Vermont
Brattleboro Area Drop-In Center
Whitney Nichols, Consumer Advocate
Patrick Flood (personal capacity)