

**REPORT TO
GOVERNOR SHUMLIN
FROM THE COUNCIL ON
PATHWAYS FROM POVERTY**

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Submitted for the Council by:

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Pursuant to:

Executive Order No. 09-13

Executive Summary

The crisis of poor Vermonters continues to deepen. Vermonters are working one or two jobs but cannot afford safe, decent housing or other basic necessities. Seniors, people with disabilities, and those on fixed incomes watch their independence and dignity slip away. Too many struggle with the profound challenges and dangers of mental illness and chronic substance abuse. Too many suffer the traumatic effects of rape, violence and abuse. All of them endure the debilitating effects of poverty, which puts them at even greater risk of harm and suffering.

We appreciate the spirit of communication and collaboration with which Governor Shumlin established the Council on Pathways from Poverty and thank him for his past support of our work and his Administration's implementation of many of our past policy recommendations and increases in funding levels. This year the Council proposes an agenda that -- if fully implemented -- will move people out of poverty. This includes no- or low-cost policy initiatives, increased revenues and prudent investments that will yield returns for the State. Our highest priorities follow; comprehensive, longer-term recommendations are attached.

PRUDENT INVESTMENTS

We urge the Governor to target strategic increases to key programs that reduce suffering and harm while achieving savings in the State budget, creating jobs, increasing revenues and growing the local economy.

- 1. Housing assistance and supportive services:** Reduce homelessness by investing \$2.5 million now being spent on emergency motels to provide housing through increases to: the Vermont Rental Subsidy Program (\$500,000), Housing & Opportunity Grant Program (\$1 million), Family Supportive Housing (\$400,000), Mental Health Vouchers (\$400,000), and AHS Flex Funds (\$200,000).
- 2. Restore and enhance economic opportunities for low-income families** through \$710,000 in additional and new investments in Micro Business (\$200,000), Individual Development Accounts (\$200,000), matched savings (\$135,000), and financial coaching, credit repair and banking programs (\$175,000), in order to create new jobs, build assets, and promote financial skills.
- 3. Capital investments:** Ease Vermont's affordable housing crisis and alleviate homelessness by providing statutory funding for the Vermont Housing and Conservation Board at \$19.5 million. Recoup \$41 million in funds diverted from VHCB over the next four years.
- 4. Support additional capital investments in the AHS IT infrastructure** to link programs and departments together for more seamless access to resources for Vermonters relying on the economic safety net. This would, for example, ensure that all schools eligible for **Universal School Meals** have the opportunity to run the program.
- 5. Increase investment in Vermont's Child Care Financial Assistance Program** through incremental increases raising the base rate to 75% of the current market rate and expanding eligibility to 300% of the federal poverty level, or implement other feasible measures to increase the affordability of childcare for Vermonters.
- 6. Increase resources for food security and warmth,** by increasing State investments in the Low-Income Weatherization Program, LIHEAP and Crisis Fuel Assistance.
- 7. Incentive program for landlords:** Bring substandard and vacant rental housing up to code and back online by implementing a pilot Rental Rehabilitation Loan Program in five or six towns. Provide low-interest loans and technical assistance to help homeowners create accessory dwelling units. Provide ongoing funding for landlord-tenant resources.
- 8. Increase Reach-Up grants** to cover more of the family needs budget by adjusting the "ratable reduction" to at least 55% of basic needs and gradually increase over time. Restore the FY 16

budget reduction of \$125 a month in Reach Up benefits for families who have a member receiving disability benefits.

9. **Support successful employment policies that make “work pay”** and help families seek and maintain employment including: expanding the Earned Income Tax Credit (EITC), reducing or eliminating benefit cliffs, and increasing income disregards and asset limits.
10. **Solve the Medicaid budget gap with a revenue solution**, *not* by reducing services or restricting eligibility. Provide adequate funding for mental health and drug and alcohol treatment. Keep health care affordable for Medicaid recipients and increase subsidies for former VHAP and Catamount participants.

NEW RESOURCES

1. **Institute a \$2 occupancy fee on motels and hotels** and dedicate at least half the projected \$12 million in revenues to affordable housing and homelessness and the remainder dedicated to Weatherization and other anti-poverty initiatives outlined in this report.
2. **Cap Vermont’s pass-through of the federal mortgage interest deduction** and dedicate the savings to affordable housing and homelessness.

POLICY INITIATIVES

1. **Create a trauma coordinator position** within the Agency of Human Services to ensure there is a “trauma-informed culture” throughout the entire agency.
2. **Implement a uniform driver restoration policy statewide** and repeal outdated infractions unrelated to driving or safety that may result in driver’s license suspensions. Implement “income sensitive” fines for Vermonters on public assistance; eliminate the license reinstatement fee; and create a high-risk insurance pool that drivers with suspensions can buy.
3. **Require owners of publicly funded housing** to dedicate 15% of their portfolio to homeless families and individuals. Combine with rental assistance and supportive services to ensure success. Streamline the Public Housing and Section 8 application process with a universal online application modeled after the common college application.
4. **Create a “culture of kindness”** within the Agency of Human Services and the Department for Children and Families to ensure that individuals applying for, or receiving, assistance are welcomed, well served and treated with respect.
5. **Pass dental therapist legislation (S.20)** to increase access to dental care for the low-income population and **Paid Sick Days legislation (H.187)** that ensures all workers in Vermont are able to take care of their own health and safety needs, without losing pay.
6. **Create and fund a comprehensive, large scale study on transportation issues** for elders, those with disabilities, and the low-income population, to make improvements for all Vermonters.
7. **Charge a working group with reducing incarceration and recidivism by exploring alternative models** that prevent people from entering the criminal justice system, provide better support for people while incarcerated, and offer better housing, education and training opportunities to people re-entering the community.
8. **Support legislation “Banning the Box”** for criminal convictions on employment applications.
9. **Institute fair and consistent application of the 180-day extension of Reach-Up** when a family loses custody of a child while the family works toward reunification.

We appreciate the opportunity to make these highest priority recommendations. The attached committee reports provide further detail.

Rental Subsidies

Targeting Financial Assistance to Support Stability

Approximately **190** formerly homeless households (**248 adults** and **297 children**) moved into affordable housing with a ***Vermont Rental Subsidy*** from the Department for Children and Families. Among families who exited the program during the year, **87%** successfully transitioned to a federal subsidy or increased income and did not require subsidy.

Approximately **145** persons with serious mental illness accessed permanent affordable housing with a ***Subsidy and Care*** voucher from the Department of Mental Health. **100%** of participants enrolled maintained stable housing for at least 90 days.

Approximately **300** adults with mental illness found affordable housing with financial assistance from the ***Community Rehabilitation and Treatment Housing Support Fund*** in the Department of Mental Health. **78%** maintained housing stability for at least 90 days.

VERMONT RENTAL SUBSIDY PROGRAM (AHS/DCF/ESD) – Year to Year Comparison

Household Composition of Families Currently Housed through the VRSP	September 2014	September 2015
Single-parent families with children	47	68
Two-parent families with children	18	39
Individuals	11	6
Couples without children	3	5
Total Households	79	118
Total number of individuals	222	383
Total number of Adults	102	166
Total number of Children	120	217

Households receiving Reach Up benefits	41	70
Households receiving SSI benefits	14	18
Households receiving both Reach Up and SSI	3	7
Other households under 125% of federal poverty guidelines	21	23

Program Performance	September 2014	September 2015
Households approved and leased up	79	118
Households tentatively granted and seeking housing	61	30
Total number of households on the waiting list	13	73

Program Cost Analysis	September 2014	September 2015
Average amount of monthly rent paid by tenant	\$268.00	\$308.00
Average amount of monthly rent paid by DCF	\$553.00	\$626.00
Projected average cost per household for full year of VRSP subsidy	\$6,636.00	\$7,512.00
Average time housed by VRSP (in months)	12	10

Total households who have moved off of VRSP – As of September 30, 2015	242
Number of households who moved off of VRSP to subsidized housing or a longer term voucher <i>(0 households in 2013 received a Section 8 or FUV)</i>	147
Number of households who moved off of VRSP due to increased earnings and/or alternative housing options (family, roommate, etc.)	46
Number of households who moved off of VRSP due to non-compliance	49

VERMONT RENTAL SUBSIDY PROGRAM (AHS/DCF/ESD) – Year to Year Comparison

Household Composition of Families Currently Housed through the VRSP	September 2013	September 2014
Single-parent families with children	34	47
Two-parent families with children	24	18
Individuals	3	11
Couples without children	0	3
Total Households	61	79
Total number of individuals	197	222
Total number of Adults	85	102
Total number of Children	112	120

Households receiving Reach Up benefits	51	41
Households receiving SSI benefits	3	14
Households receiving both Reach Up and SSI	3	3
Other households under 125% of federal poverty guidelines	4	21

Program Performance	September 2013	September 2014
Households approved and leased up	61	79
Households tentatively granted and seeking housing	1	61
Total number of households on the waiting list	48	13

Program Cost Analysis	September 2013	September 2014
Average amount of monthly rent paid by tenant	\$295.00	\$268.00
Average amount of monthly rent paid by DCF	\$662.00	\$553.00
Projected average cost per household for full year of VRSP subsidy	\$7,944.00	\$6,636.00
Average time housed by VRSP (in months)	10	12

Total households who have moved off of VRSP – As of September 30, 2014	134
Number of households who moved off of VRSP to subsidized housing or a longer term voucher <i>(0 households in 2013 received a Section 8 or FUV)</i>	66
Number of households who moved off of VRSP due to increased earnings and/or alternative housing options (family, roommate, etc.)	33
Number of households who moved off of VRSP due to non-compliance	35