



February 24, 2015

To: Representative Mitzi Johnson and Members of the House Appropriations Committee
From: Sheila Reed, Associate Director
Re: Testimony on FY17 proposed budget

Reach Up: Vermont's Reach Up program is a vital part of the safety net for our most vulnerable children and their families. We at Voices are deeply concerned about the erosion of this program in Vermont.

To pull themselves out of deep poverty a family must have enough to meet basic needs. The current Reach Up grant meets only approximately 49% of the basic need standard. The grants themselves have not kept pace with the needs of those Vermonters eligible and receiving benefits. There has not been an increase in the basic grant amount in decades. This limits the ability of families to successfully graduate from the program and move to economic independence. Most recipients of Reach Up are children, whose families need enough cash income to buy essentials of life including nonfood grocery items, clothes, diapers, utilities, costs of transportation and many more. Grants must be adjusted upward to deal with the economic reality of increasing rents, food, and transportation costs that are all essential to work readiness.

Instead of even modest upward adjustments, we have another cut to the Reach Up program in the Governor's recommended budget. We ask that you decline to implement the Governor's proposal to require that \$125 be subtracted from the grant when there is a person receiving disability living in the Reach Up household. This proposal does not recognize the added expenses of having a family member with a disability. It adds further financial burdens to our state's most impoverished families.

Providing modest upward adjustments to reflect the costs of working while on the program is not only the right thing to do to help families successfully graduate from the program, preserve housing and create opportunities for low-income families, but is long overdue.

CCFAP: As a member of the Early Childhood Alliance we want to add our voice to the testimony of those requesting an increase in the Child Care Financial Assistance Program.

The program provides working families with the financial support needed to obtain quality child care, assuring family economic stability, while providing young children with early learning opportunities that establish a sturdy foundation for future growth and development. The program was level funded in the Governor's recommended budget.

We request that you increase investment in Vermont's Child Care Financial Assistance Program (CCFAP) by:

- Raising the base financial payment for all child care providers to 50% of the current

market rate, with the long-term goal of raising the base to 75% of the current year market rate.

- Raising eligibility for CCFAP to 300% of the federal poverty level. Families receiving payments from the Child Care Financial Assistance Program are subject to a benefit cliff that starts at 100% of the federal poverty level and ends with zero eligibility at 200% of the federal poverty.
- Mandating that market and Federal Poverty Level guidelines used to determine payments and eligibility for CCFAP be adjusted annually and kept current.

Respectfully submitted.