

Excerpts Child Poverty Council Report

II. Summary of Council Activities

After the conclusion of the legislative session, the Council reconvened on May 2, 2014. The Council met several times in 2014 during the General Assembly's adjournment.

The Council reviewed its January 2014 Annual Progress Report (2014 report), which contained recommendations concerning the Council's legislative priorities for assisting children living in poverty.³ The Council considered each recommendation in the 2014 report to identify whether legislative action was taken or whether progress was otherwise achieved.

The Council heard testimony from a diverse array of stakeholders on a number of issues within its jurisdiction, and it discussed additional actions that the General Assembly and Governor might take in the future to address the Council's unmet goals.

The Council's subcommittees on Housing and Homelessness, on Education, on Economic Security and Empowerment, and on Health and Nutrition met independently to consider the topics set forth in the 2014 report and to make new recommendations to achieve the Council's goals.

III. Council Recommendations

The Council, drawing on the work of its subcommittees and the testimony of witnesses, makes the following recommendations to the General Assembly.

A. Ensure that Vermont's most vulnerable children and families are protected from budget cuts that could put their health, safety, and livelihoods further at risk.

The Council recognizes that in order to reconcile the \$100 million budget shortfall, the General Assembly will face difficult choices this session. In weighing competing needs, the General Assembly may be tempted to consider some aspects of social safety net programs such as Reach Up, 3SquaresVT, LIHEAP, and Medicaid to be nonessential. The Council believe the General Assembly should remain mindful of the short-term and long-term costs attached to depriving Vermonters who live in or at risk of poverty of the assistance they require to become safe and healthy, to remain so, or merely to survive each day. In particular, the Council is concerned about the effects of budget cuts to social service programs on Vermonters who live in deep poverty, defined as those living at or below 50% of the federal poverty level (in 2014, \$486.25 or less each month for an individual or \$993.75 or less each month for a family of four). Any reduction in assistance obtaining necessities such as food, heat, or health care could prove immediately devastating to these most vulnerable Vermonters, while the additional stresses caused by these reductions could have long-lasting effects on their children's health, education, and ultimate financial security.

B. End child homelessness in Vermont.

Between July 1, 2013 and June 30, 2014, 3,934 unduplicated persons were sheltered in Vermont, of which 891 were under 18 years old.⁵ The Council plans to hold a press conference on January 9, 2015, to help draw attention to the persistent yet preventable problem of homelessness in Vermont, and it urges the General Assembly to pass a policy resolution aspiring to end child and adolescent homelessness in Vermont by 2020. The resolution would ask the General Assembly and Governor to work to eradicate homelessness among youth in Vermont and to consider the impact of their policies on homeless and precariously housed families.

C. Require all Vermont agencies and recipients of State funds to share responsibility for addressing child poverty and for improving the financial stability and well-being of Vermont's children.

Growing up in poverty can have tremendous negative consequences for children throughout their lives. Because strategies to reduce the impacts of poverty are most effective when assistance is offered to very young children and their families, the Council applauds the poverty prevention efforts of Head Start, youth service organizations offering out-of-school programming and home visiting programs, and other nonprofit organizations devoted to creating opportunities for young Vermont children and their families.

The Council would like to challenge all State departments to hold themselves accountable for funding antipoverty efforts and to work together across agencies to coordinate relevant budgets and policies. To this end, the Council recommends that the General Assembly work with the Governor to assess and improve interagency collaboration and shared responsibility concerning antipoverty initiatives and policies that affect low-income families.

Additionally, the Council recommends that, as part of any State grant funding process, the General Assembly require that the source agency assess and consider each applicant's efforts to address child poverty and homelessness in Vermont and to reduce the burdens of transportation and childcare on low-income workers. To begin, the Council suggests that the General Assembly establish a work group to collect and review all State grant applications and to make recommendations concerning inclusion of language in these applications to address poverty and homelessness.

Excerpts from VT Child Poverty Council Report

C. Recommendations of the Subcommittee on Economic Security and Empowerment

Economic Empowerment and Opportunity

1. In order to create new jobs, build assets, and promote financial skills, the General Assembly should work with the Governor to increase investments in the Micro Business Development Program and Individual Development Accounts; create a Vermont matched savings program; and fund financial coaching, credit repair, and banking programs to restore and enhance economic opportunities for low-income families.
2. The General Assembly should establish and fund a comprehensive study concerning transportation barriers for low-income individuals and families. Specifically, this study should examine existing vehicle and ridership programs, public transportation, and current regulations involving vehicle fines, fees, repairs, and credit, and it should inform future comprehensive legislation designed to address these barriers.
3. The General Assembly should give more families access to quality child care by increasing its investment in Vermont's Child Care Financial Assistance Program. It should raise the base rate to 50% of the current market rate, with the long-term goals of raising the base rate to 75% of the current market rate, raising eligibility for the program to 300% of the federal poverty level, and mandating that program rates and guidelines be adjusted annually and kept current.
4. The General Assembly should work with the Governor to develop a Vermont Children's Savings Program that increases opportunities for college and career success for all Vermont students; that engages and incentivizes positive post-secondary education savings behavior by low-income families; and that provides financial literacy education for all Vermont children and parents in cooperation with local public education systems. The Governor should explore funding this Program through philanthropic organizations.
5. Vermont's Department of Labor should collaborate with human services agencies and youth advocacy organizations in implementing proposed federal changes to the Workforce Education and Training Fund's (WETF) youth eligibility and spending requirements. In particular, the Department should consider that, because of Vermont's comparatively high secondary school graduation rate, the proposed reallocation of dollars from supports for in-school youth to those for out-of-school youth may not, without careful assessment, reach those youth with highest needs.

Economic Security and Safety Net Programs

1. The General Assembly should increase Reach Up grants by continuing its work to reduce or eliminate benefit cliffs, including applying income disregards and eliminating asset tests. This would both create incentives that reward families for getting ahead and help to reduce the Department for Children and Families' caseloads.
2. The General Assembly should allocate budget resources for the implementation of the Transitional Benefits Alternative, in order to provide five additional months of 3SquaresVT benefits to households exiting Reach Up. This would offer beneficiaries some protection from the benefit cliff.
3. The General Assembly should increase its investment in the Low-Income Weatherization Program, increase LIHEAP grant assistance, and fully fund Crisis Fuel needs

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The Council would like to challenge all State departments to hold themselves accountable for funding antipoverty efforts and to work together across agencies to coordinate relevant budgets and policies. To this end, the Council recommends that the General Assembly work with the Governor to assess and improve interagency collaboration and shared responsibility concerning antipoverty initiatives and policies that affect low-income families.

Additionally, the Council recommends that, as part of any State grant funding process, the General Assembly require that the source agency assess and consider each applicant's efforts to address child poverty and homelessness in Vermont and to reduce the burdens of transportation and childcare on low-income workers. To begin, the Council suggests that the General Assembly establish a work group to collect and review all State grant applications and to make recommendations concerning inclusion of language in these applications to address poverty and homelessness.

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The Economic Security and Empowerment Sub-Committee Top Recommendations

The Economic Security and Empowerment Sub-Committee made recommendations that will enhance the economic opportunities for Vermont families with children living in poverty to participate in existing programs to increase income, build assets, gain financial skills and maintain employment. At the same time these recommendations recognize that many Vermont families continue to need financial assistance and benefits to help meet a basic standard of living, keep their children safe, and stabilize their families on the way to economic independence. We have made recommendations for those programs as well.

The top priorities that follow can be accomplished in the short term for the most part, and recommend investing in existing programs that we know help to stabilize families in financial crisis and provide economic opportunities for those seeking employment and work supports to maintain employment. A few of the recommendations are longer term anti-poverty strategies and new approaches that we know have proven outcomes and help Vermont families move towards economic independence.

Other anti-poverty policies, not included in these initiatives are detailed in the full sub-committee report.

Top Priority Recommendations on Economic Empowerment and Opportunity

- 1. Create new jobs, build assets, and promote financial skills** by increasing investments in Micro Business and Individual Development Accounts, creating a VT Matched Savings program, and funding Financial Coaching, Credit Repair and Banking programs to restore and enhance economic opportunities for low-income families.
- 2. Create and fund a comprehensive study on transportations issues on a large scale for the low income population**, including an examination of existing vehicle and ridership programs, public transportation, and current regulations relating to fines, fees and repairs and credit, that continue to be a transportation barrier and create comprehensive legislation to address those barriers.
- 3. Increase investment in Vermont's Child Care Financial Assistance Program (CCFAP)** by raising the base rate to 50% of the current market rate with the long-term goal of raising the base to 75% of the current year market rate and raising eligibility for the CCFAP to 300% of the federal poverty level; mandating that rates and guidelines be adjusted annually and kept current.
- 4. Develop a Vermont Children's Savings Program that increases opportunities for college and career success for all Vermont students**; that engages and incentivizes positive postsecondary education savings behavior for low income VT families and provides financial literacy education for all children and their parents in cooperation with local public education systems.

Top Priority Recommendations on Economic Security and Safety Net Programs

- 1. Increase Reach-Up Grants.** Continue working to reduce or eliminate benefit cliffs, including application of income disregards and elimination of asset tests – start by putting last year's changes into this year's budget.
- 2. Allocate budget resources for the implementation of the Transitional Benefits Alternative (TBA)** in order to provide 3SquaresVT benefits for five additional months to households after they leave Reach-Up.
- 3. Increase the investment in the Low- Income Weatherization Program, increase LIHEAP grant assistance, and fully fund Crisis Fuel needs.**