

FEDERAL COURT UPHOLDS CUTS TO REACH UP

BENEFIT

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A federal judge has dismissed a Vermont Legal Aid lawsuit that challenged the legality of a reduction to a state benefit program for certain families.

This summer, Legal Aid filed a class action lawsuit in U.S. District Court on behalf of Vermonters who would see a cut to their monthly assistance as the result of a money-saving measure passed in the state budget this year.

Under the change in policy, families that receive money from the state benefits program Reach Up will see their monthly payment docked by \$125 if an adult member of the household also receives supplemental Social Security income, a federal disability benefit.

Originally slated to be implemented in August, the cuts have been put on hold since the lawsuit was filed. The ruling paves the way for the reductions to go into effect later this fiscal year.

Chris Curtis of Legal Aid has characterized the cuts as a “poor tax” on low-income families. Legal Aid challenged the cuts arguing that they are discriminatory and unconstitutional, as well as in violation of Social Security laws.

They also believed there is a contradiction in the statute, because the policy factors the income of SSI recipients into the Reach Up household benefit calculation, even though SSI recipients do not get Reach Up benefits. For instance, if one member of a four-person household receives SSI, the state calculates the Reach Up benefit for a three-person household.

In a statement issued Tuesday evening, Curtis said Legal Aid learned “that the new law is not unconstitutional; it is merely unconscionable.”

“While we always knew it would be an uphill battle, it’s a battle we are proud to have joined on behalf of families in need,” Curtis told VT Digger on Wednesday. Curtis called the plaintiffs in the case earlier this week to tell them the news, and said they were some “tough conversations.”

“People confronted with a significant loss in their monthly income are going to struggle to make ends meet,” Curtis said.

The change in policy was expected to save the state some \$1.6 million in the fiscal year 2016 budget.

U.S. District Judge William Sessions III wrote in his decision that there was no intent to discriminate on behalf of the state. Rather, the change in the law was an effort to find savings in the budget.

“The law at issue in this case targets one of the most vulnerable populations in Vermont: disabled adults raising children in poverty,” Sessions wrote. “In an effort to achieve budgetary savings the Legislature has voted to decrease public aid to those families,

resulting in what can only be further hardship for parents as they struggle to provide food and shelter for their children.”

Scott Coriell, spokesman for Gov. Peter Shumlin, said that the administration agrees with Sessions, citing from his decision that “not only does this determination save the state money, it also bears a rational relationship to the relative needs of Reach Up families.”

“In an era of tight budgets, not just in Vermont but around the country, we have to make decisions about how to spend resources most effectively,” Coriell said in an emailed statement.

Coriell defended Shumlin’s record on helping low-income Vermonters.

“We’re constantly working to find ways to help struggling Vermonters,” Coriell said. “This Governor has fought to increase in the minimum wage, pass rational paid sick day legislation, expand free school meals so no kid goes hungry, open up new affordable housing, create a rational criminal justice system that locks up fewer people, give Vermonters a chance to get suspended licenses reinstated so they can drive to work, and much more.”

Attorney General Bill Sorrell, whose office represented the Agency of Human Services and the state in the lawsuit, said Wednesday that he is “pleased the Legislature acted lawfully.”

“Given the subject matter, this wasn’t an action that legislators took great joy in needing to do for budget purposes,” Sorrell said, adding that it is different than many of the cases his office takes on. “Similarly this is not like having some scam artist found guilty of violating our consumer protection laws.”

Officials from the Department for Children and Families could not be reached Wednesday for comment on plans for rolling out the cuts. Veterans Day is a holiday for state workers.

In July, two weeks before the cuts were originally slated to go into effect, DCF sent notices to some 860 families advising them that they would see a reduction to their monthly benefit.

Curtis plans to push lawmakers to consider repealing the change to Reach Up policy when they return to Montpelier in January.

The \$125 reduction to some families’ monthly budget could have profound impacts on their ability to get by, especially when there’s such a crunch on affordable housing. It could be “the difference between stable housing and losing housing,” Curtis said. “It seems to me this kind of reduction is the kind of destabilizing force that is really going to hurt not only families at risk, but taxpayers,” Curtis said. “It’s going to push other costs onto local communities or other areas of the state budget.”

Curtis argued that it is unfair for Vermont to “tax” Vermont’s lowest income families in order to balance the budget.

“It was a bad idea last year,” Curtis said. “It’s still a bad idea.”