

Senate Health and Welfare Committee BUDGET MEMO

VLIAC's Fiscal Year 2019 Budget Priorities

Funding Request:

- **Micro-Business Development Program \$100, 000 in the Base (MBDP) ** House Funded**
- **Individual Development Accounts \$35K in the Base and expanded uses ** House Funded**
- Volunteer Tax Assistance Program (VITA) \$100,000
- Repeal the \$115 Reduction on VT Low-Income Families on Reach-Up when a parent with a Disability receives an SSI benefit.
- State Funding for After School Programming - Expanded Learning Opportunities
All of the above have been recommended by the Child Poverty Council
- Fund DEAF Coordinator Position in S.162
- Increase Funding for VT Association for the Blind and Visually Impaired

Restore Budget Cuts to:

- **Vermont Legal Aid – Proposed Cut \$198,624 (GF+FF) AHS Secretary Central Office ** House Restored**
- **Vermont Health Care Advocate – Proposed Cut \$110,833 (GF+FF) AHS Secretary Central Office **House Restored**
- Agency of Human Services Grant Reductions – \$2,000,000 across AHS
- Reach Up Support Services Grant Reductions - \$1,159,485 (GF) DCF
- **Eliminate Attendant Services General Fund Program - \$1,389,547 (GF) (DAIL) ** House Partially Restored**
- **Development Services Waiver Reduction - \$4.3 M in Services (\$2M GF) (DAIL)** House Fully Restored**
- Eliminate Vermont Cost Sharing Reduction Program – \$827,000 (GF)

House Action on Budget

Restore and Increase Funding for the Micro Business Development Program (MBDP) \$100,000 put in the BASE FUNDING

Since 1989, MBDP has provided free business technical assistance (training and counseling) and access to capital to low-income Vermonters. Each year, an average of 145 businesses are started or expanded across Vermont, 84 new jobs are created, and more than \$1.1 million in capital is accessed. The average cost per job is less than \$3,600. Current funding is \$300K; **Request: \$200K increase to restore funding to \$500K.** *The funding was increased \$100,000 (“one time”) in 2018. Request to put the \$100,000 in the Base.*

Restore Funding for Individual Development Accounts (IDAs) MAKES \$35,000 AVAILABLE TO MATCH for INCREASED IDA PROGRAM- Language to Expand Uses

IDAs are a matched savings and financial education program that helps low-income Vermonters invest in their future by enabling them to build financial assets. Backed by federal dollars leveraged by state funds, participants save – and have their savings matched 2:1 – to purchase a home, pay tuition for training or post-secondary education, or start a business. Since its start in 1997 the program has served 1,335 households. 912 Vermonters have completed their savings period and invested \$2.5 million in their future. Current base funding is \$135,300. *Federal dollars were eliminated this year.* **Request a replacement of the Federal Dollars (\$35,000) and expand uses of savings.**

Sec. E.325.1 33 V.S.A. § 1123 is amended to read:

§ 1123. INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM

(a) As used in this section:

(6) “Eligible uses” means education, training that leads to employment, the purchase or improvement of a home, the purchase or repair of a vehicle necessary to participate in an employment-related activity, or participation in or development of an entrepreneurial activity.

Repeal the “tax” on low-income families with children Reduction of \$115 a month - NO REPEAL OF THIS “TAX” – Still being deducted from Reach Up Benefit

The State implemented a reduction in Reach-Up benefits for families receiving adult Supplemental Security Income (SSI) income against a household’s temporary cash assistance every month in FY 2017. This policy is driving adults with disabilities and their children deeper into poverty. The reduction targets Vermont parents who, by definition, are unable to work as a result of their unique disabilities. These parents need their SSI income to meet their needs related to their disability and support. They are not counted in the Reach-Up grant calculation for the family’s cash benefit. *Recommended by Child Poverty Council.*

State Investment in Afterschool Programs - NOT FUNDED

“Quality afterschool and summer programs keep children safe, serve healthy snacks and meals, support learning, build interests and skills, provide positive adult role models, and

help working families. However, currently in Vermont, students from low-income families are significantly underrepresented in afterschool programs compared to national averages. VLIAC requests that the General Assembly provide funding to the Expanded Learning Opportunities (ELO) Special Fund to expand access to afterschool and summer learning programs, particularly in underserved areas of the state and in communities with a high percentage of Poverty

Rehabilitation Services for the Blind and Visually Impaired - \$100,000 -NOT FUNDED

Funding for services for rehabilitation services for the blind and visually impaired delivered through the Vermont Association of the Blind & Visually Impaired have not been increased in thirteen years despite rising caseload and needs. Increased funding would reduce the level of subsidization by VABVI, so they could hire more teachers, and address the need for technology training for the visually impaired. VABVI services help Vermonters stay independent and active in their communities, saving State money. Without these services a visually impaired person is 15 times more likely to end up in assisted living or a nursing home.

S.162 Director of Deaf Services Position – Not Considered in House – IN SENATE APP

The position of the Deaf, Hard of Hearing, and DeafBlind Services Director is established within the Department for the purpose of coordinating services within the Agencies of Human Services and of Education for children, youth, and adults who are deaf, hard of hearing or DeafBlind and for their families.

VLIAC OPPOSES - FY 2019 Proposed BUDGET Reductions (CUTS!)

House Action on Budget

Vermont Legal Aid – Proposed Cut \$198,624 Central Office - WAS RESORED

The Administration is, once again, proposing to reduce its Agency of Human Services (AHS) Central Office funding of Vermont Legal Aid (VLA), this year by \$198,624 (\$71,468 in General Fund dollars). This would result in shrinking AHS general funding for Legal Aid below the level it was ten years ago.

The proposed cut to Vermont Legal Aid's AHS contract would result in a dramatic reduction in legal help to Vermont's most vulnerable residents. Since Legal Aid is required to accept the mental health and protective services cases that are assigned to it by the court, 100% of the proposed \$200,000 cut will come out of its poverty law work, reducing the number of poverty lawyers funded by AHS from 6 to 4, a reduction of 30%.

Vermont Health Care Advocate – Proposed Cut \$110,833 CO – WAS RESTORED

The Governor proposed an \$110,833 cut for the Office of the Health Care Advocate. Call volumes remain at high. The HCA opened 367 cases during the month of January 2018.

These are Vermonter's who are often at wits end having struggled with their providers, their insurance company or Vermont Health Connect and continue to need help getting the care they need.

A budget cut of \$110,833 would force us to cut over 2.5 advocates in staff at a time when Vermonters continue to call on us for help with many different "accesses to care" issues. The HCA has been working hard to make sure we are reaching people who will benefit from our help.

Agency of Human Services Grant Reductions – \$2,000,000 across AHS

THESE REDUCTIONS WILL BE MADE – No list yet off what grants will be cut

In FY2017 AHS issued 686 discrete grants totaling \$198M across all fund sources. Of this amount, \$30.5M was GF, \$100M was GC (roughly \$47M state funds), \$57M was federal, and the balance was from other funds. This data reflects grants issued in FY2017 and cover a wide range of AHS programs.

Over the next three months, AHS will conduct a systematic review of grants and contracts and identify areas for savings. \$2M is a roughly 2.59% reduction to the state share (GF and state share of GC) of the total grants issued in FY2017. Impacts will vary depending on reduction decision. However, AHS said it will focus on minimizing impacts to Vermont's most vulnerable.

Reach Up Support Services Grant Reductions - \$1,159,485 General Fund DCF

THESE CUTS WERE MADE TO THE SUPPORT SERVICES

Reach Up provides financial assistance to meet parents' basic needs and case management to help parents gain job skills, overcome barriers, and find employment. This is not caseload savings it is a reduction in grants and contracts to community partners for the following services: support to Reach Up participants seeking and obtaining employment, including case management, housing and transportation supports, employment/job coaching and work site activities.

DCF/ESD believes these reductions will not have an impact on the services needed by Reach-Up Program participants to become successfully employed. It may impact community partners.

Eliminate Attendant Services General Fund Program - \$1,389,547 DAIL

\$750,000 CUT WAS RESTORED – Assurance that the remainder of the funding can be "saved" by finding other funding for the people receiving services – NO ONE WILL BE CUT OFF

The Attendant Services Program (ASP) General Funds option serves people with "permanent and severe" disabilities who need attendant care services to complete at least two activities of daily living. ASP participants are awarded an average of 6 hours per day

of attendant care with actual amounts varying by person based on their assessed need. This program was created in Vermont to address the gap in needs for those individuals who are working and trying to be self-sufficient, therefore not eligible for Medicaid but striving to be self-sufficient.

Stakeholders see this as a step away from Vermont values and our focus on enabling people with disabilities to be self-sufficient without having to be driven into poverty and eligibility for Medicaid. If funding were eliminated for the General Funds option, the potential impact would require that 42 people be dis-enrolled from state-funded attendant care services, but they would migrate to other programs.

Development Services Waiver Reduction - \$4.3 M in Services (DAIL)

THIS CUT WAS FULLY RESTORED

The Developmental Services Waiver program services individuals across the states who are diagnosed with a developmental disability and who meet a system of care funding priority. These waiver services include residential supports, supports to access the community, case management, and support for families caring for individuals, respite, and supported employment. They are provided in Vermont as a community-based alternative to institutional care and support individuals to live robust lives, in their own home communities and in concert with every other Vermonter, with rights, responsibilities and civil liberties. Services packages are developed individually based on assessed needs.

Reductions would be achieved by an approximately 2% reduction in funding to the all of the existing, current service plans asking each individual or family to work with the agency provider to reduce existing services by a 2% margin. If the proposed reductions are implemented across the board as suggested, this will impact 3,070 currently in services. Direct supports to consumers, including employment supports, community supports, respite and residential supports will be reduced and/or eliminated.

Vermont Cost Sharing Reduction Program – Proposed to be Eliminated \$827,000

THIS ELIMINATION WAS AGREED TO

DVHA administers Vermont's cost sharing reduction (VCSR) benefit for individuals and families enrolled in qualified health plans (QHPs) through the exchange. The benefit is only available to Vermonters who select a silver plan, and have a household income between 200-300% of federal poverty level (FPL)

The benefit reduces potential out-of-pocket costs by lowering the plan's deductible, maximum out-of-pocket limit, and/or co-pays. This increases a plan's actuarial value (AV), which is the average percentage that a plan will pay for covered services. The benefit enhances the federal cost sharing reduction (CSR) benefit.

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