



Memorandum

To: House Committee on Appropriations

From: Michelle Fay, Executive Director

Date: January 22, 2019

Re: FY19 Budget Adjustment

Voices for Vermont's Children would like to draw the committee's attention to two areas where a budget surplus exists despite significant unmet need for children and families: Reach Up and the Child Care Financial Assistance Program (CCFAP). A year ago, I provided nearly the same testimony. We are stuck in a cycle of shifting funds away from systems that Vermont kids and families desperately need, because their current design is flawed and failing to live up to their statutory purpose. Every time these false "savings" are booked it makes it harder to right the capsizing ship of Reach UP and CCFAP.

Reach Up

Voices urges you to reject the concept of "caseload savings" in the Reach Up program and reinvest every penny available into the benefits for families with children. As you know, the Reach Up benefit is currently well below the statutory goal of a basic needs budget, which even at 100% would only be subsistence survival for a household. The last time Reach Up had a cost of living adjustment was in 2004. Reach Up is fundamentally a program designed to ensure that children are safe, warm, sheltered, clothed and fed. Scooping so-called "caseload savings" out of the budget is essentially taking much needed funds away from children living deep in poverty. There would be no surplus if we took action to end the unconscionable conditions that families in crisis who turn to this safety-net program are expected to endure.

The UN Declaration on the Rights of a Child declares that "[hu]mankind owes to the child the best that it has to give." We believe this is the state of Vermont's commitment and aspiration, and so we ask that you reject the Reach Up caseload savings and direct DCF to direct every available dollar to increasing benefits for Reach Up recipient families.

CCFAP

We also ask that you reject the administration's proposal to shift \$2.5 million from the Child Care Financial Assistance Program (CCFAP). Vermont's child care system is in crisis. The underutilization that led to the unspent funds is indicative of a system that is not working for families and that is widely understood to need substantial additional investment. Now is not the time to shift funds to other purposes. We ask that these unspent funds be directed to increase the CCFAP benefit to families, increase provider reimbursement rates, or make investments in the early childhood workforce to address the chronic lack of access to affordable, quality child care.