

January 22, 2019

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The Honorable Catherine Toll, Chair
House Appropriations Committee
Vermont State House
115 State Street
Montpelier, VT 05633

Dear Representative Toll,

I'm writing about the governor's fiscal 2019 budget adjustment proposal, particularly with regard to the Reach Up program. I understand the challenges the committee faces in allocating funding in the budget, but I encourage you and the committee to resist reducing the fiscal 2019 Reach Up appropriation based on the smaller caseload. Here's why.

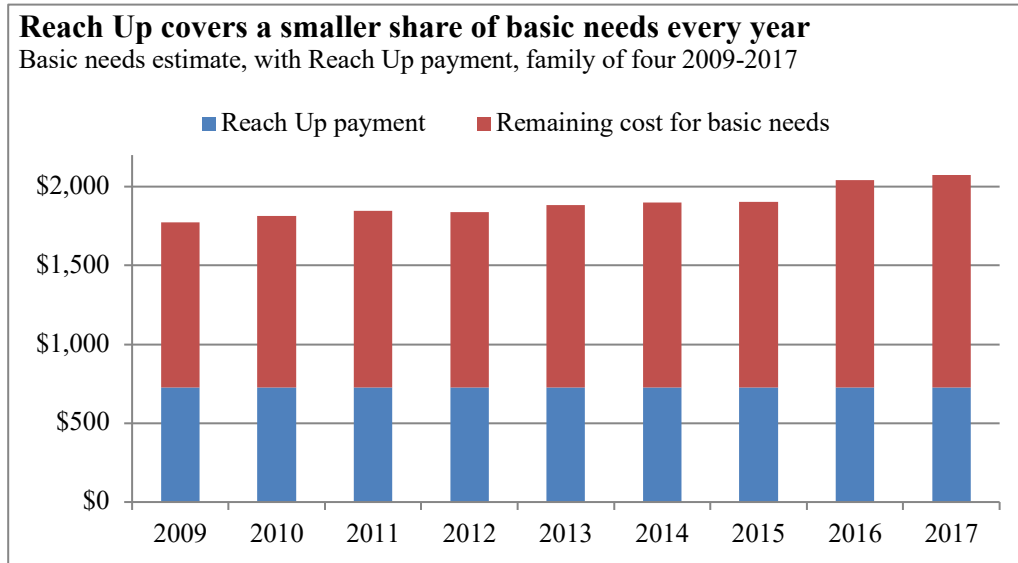
One of the statutory purposes of the Reach Up program is to "to improve the well-being of children by providing for their immediate basic needs, including food, housing, and clothing (33 V.S.A. § 1102a(6))." In keeping with that requirement, each year the Department for Children and Families (DCF) estimates the cost of those basic needs and the percentage of them that can be covered based on the funding appropriated. But based on the Commissioner of DCF's annual *Evaluation of Reach Up*, for at least the last ten years the maximum grant has been set at 49.6 percent of the 2004 cost of basic needs without adjusting for increases in costs since then. In short, the dollar amount of the grants has not changed. The maximum monthly grants are shown in the table below.

Family Size	Outside Chittenden County	Chittenden County
1	\$434	\$458
2	\$535	\$560
3	\$640	\$665
4	\$726	\$750

There are several problems with this practice:

1. **It violates the intent of the statute.** The program should provide for immediate basic needs as the statute states, not a fraction of those needs.
2. **It puts eligible families in an increasingly untenable situation.** With a fixed grant year after year, the remaining costs a family faces keep increasing. In 2004, a family of four receiving a grant had to come up with \$737 each month to meet their basic needs; by 2017 they needed \$1349—nearly twice the 2004 amount—to make ends meet. The program used to meet almost half a family's

basic needs; now it meets 35 percent. A new requirement in fiscal 2019 calculates the percentage of need covered based on the current cost of basic needs. Had that been in place since 2004, it would have been clear that the real value of the benefit has been declining. The chart below shows the increasing share of basic needs to be covered by eligible families.



3. **It will continue until the Legislature acts.** According to 33 V.S.A. §101(4), DCF will modify the Reach Up grant amounts “only when the General Assembly has taken affirmative action to increase or decrease the Reach Up financial assistance appropriation.” If the appropriation is calculated to maintain the grants at 49.6 percent of 2004 basic needs, grants are prorated by DCF based on the appropriation, and the administration and the Legislature continue to book any caseload reduction as “savings” to alleviate budget pressures, there will never be a grant increase for eligible families.

This practice is fundamentally unfair to eligible families and undermines the purpose of Reach Up. We respectfully request that the committee begin to correct this wrong by using the fiscal 2019 “caseload savings” to increase the Reach Up grant amounts. Adding language in the Budget Adjustment Act to direct DCF to distribute any remaining money to recipients would bring the grants closer to meeting families’ basic needs and bring the program closer to once again living up to its name.

Sincerely,

Paul A. Cillo
President

CC: House Appropriations Committee members, Theresa Utton-Jerman, Maria Belliveau, Speaker Johnson, Katherine Levasseur