

VLIAC Vermont Low Income Advocacy Council

“Celebrating 47 years of representing the interest of low income Vermonters”

VLIAC 2019 Legislative Priorities

Balancing Short and Long Term Economic Strategies

The State must maintain the "safety-net" for the most vulnerable Vermonters, but also make those investments in programs and policies that help folks achieve economic success. The health and wellbeing of Vermonters is dependent on meeting a higher standard of basic needs to stabilize poor families: maintaining food security, reducing energy burdens, eliminating benefit cliffs, ensuring access to affordable health and dental care and medical and family leave.

Many of the anti-poverty programs and policies that we know work, and have proven results have been reduced, are underfunded or need to be further developed. These are programs that create jobs, help build assets, provide financial education, and assist Vermont families, elders, and those with disabilities to save for the future and have a dignified retirement.

In addition to increasing the minimum wage, employment supports must include childcare financial assistance, wrap around services for low income working families and their children, equitable tax policies, and public transportation options to support working Vermonters.

The purpose of the state budget is to ensure the well-being of all Vermonters by meeting their fundamental needs and providing equal opportunities for all. We must provide adequate funding and supports to assist those in need to stabilize families in the short term and we must invest in those programs and policies that work to alleviate and end poverty for long term economic security.

Vermonters with low incomes suffer the greatest consequences from violent climate events; they live in the most risk prone locations; they are the most negatively impacted by health risks from emissions; and they have the highest energy burdens. We have an interest in reducing carbon pollution, investing in weatherization and transportation options, and protecting the most vulnerable Vermonters as we transition to a cleaner energy future.

“VLIAC is committed to cleaner, more efficient, and more affordable energy future and continues to participate in those discussions on how to achieve these goals, enhance economic opportunities, and mitigate the burden on low income families - so that all Vermonters can benefit from a brighter energy future.”

Karen Lafayette, VLIAC Advocate – kmlafayette@aol.com – 802-373-3366

BUDGET AND POLICY PRIORITIES

ECONOMIC OPPORTUNITIES

More than 25% of Vermont households are one layoff or serious medical incident away from falling below the poverty line, but creating a vibrant economy, an *opportunity economy* in which all Vermonters thrive is within our reach. The financial security strategies outlined below offer proven on-ramps into the economy and strong returns on investments for families with low incomes. These well-researched and demonstrated programs create and enable improved access to jobs, enhance financial stability, and help people build and manage assets, while addressing economic inequality.

Increase funding for the Micro Business Development Program (MBDP) - Since 1989, MBDP has provided free business technical assistance (training and counseling) and access to capital to low-income Vermonters. (Request \$200,000 increase in base) *Support House actions to increase the MBDP by \$100,000*

Vermont Matched Savings (Individual Development Accounts) - In 2018 the Legislature reinvested in the matched savings (IDA) and financial education program that helps low-income Vermonters invest in their future by enabling them to build financial assets. (Increase base to \$250,000 – Currently \$170,000)

Support Workforce Development/Training Initiatives - The VT CAAs offer a number of workforce initiatives that address persistent barriers to employment faced by disadvantaged workers. (Request an investment of \$250,000)

Fund Financial Education, Coaching, and Credit Building Services to overcome barriers to financial security, financial capability education & coaching services empower people to stabilize their finances, set goals and work to achieve them, and sustain successful financial behaviors over time. (Request for \$500,000 investment)

Fund the Volunteer Income Tax Assistance Program (VITA). The Volunteer Income Tax Assistance (VITA) offers free tax preparation for anyone with annual income of less than \$55,000. In FY2018, the VT CAAs completed 3,309 Federal returns and 3,844 State returns. The total refunds and tax credits brought \$6.8 million back into the state economy and helped stabilize low-income Vermont households. (Request \$100,000)

In combination, these Community Action Agency Economic and Workforce Development programs provide Vermonters with low incomes opportunities to enter and succeed in the workforce, start and retain successful small businesses, enhance their financial capability, build or repair credit, achieve economic stability, and create and use financial assets effectively to invest in a better future for themselves and their families as well as a stronger and better Vermont.

H.371 An act relating to creating an opportunity economy for all Vermonters

This bill proposes to support the creation of an opportunity economy by providing funding and policy guidance for: (1) the Microbusiness Development Program; (2) the Vermont Matched Savings Account Program; (3) workforce development and training programs for Vermonters with barriers to employment; (4) financial education, coaching, and credit building services for Vermonters with barriers to financial security and (5) the Volunteer Income Tax Assistance Program.

HEALTH

Support the HCA requests \$85,000 to return to SFY 2016 funding levels for cost of living increase. The Office of the Health Care Advocate (HCA) is a steady and strong voice for Vermonters' access to high quality and affordable health care. They provide critical help to individuals navigating the health care system and represent all Vermonters in health care policy and regulation. This will be the fourth year of level funding for the HCA.

Support the HCA requests \$120,000 to fund a new attorney position to respond to expanding responsibilities (ACO budget review, federal threats to health care, affordability). The HCA represents the interests of all Vermonters in health insurance rate review cases, hospital budget reviews, and accountable care organization (ACO) budget reviews (a new regulatory process and additional responsibility for the HCA).

Legislation:

S.141 - An act relating to nutritional requirements for children's meals

This bill requires restaurant who serves Children's meals to have the "default beverage" automatically included as part of a children's meal to be nutritious.

H.195 - An act relating to miscellaneous public health provisions

This bill proposes to implement miscellaneous provisions related to Vermonters' health and wellness. It would establish a legislative Sugar-Sweetened Beverage Working Group. The bill would appropriate funds for community bicycle and pedestrian initiatives.

LEGAL REPRESENTATION

Support Legal Aid Requests of \$140,000 in additional AHS funding

Vermont Legal Aid's general AHS grant has been level-funded since SFY 2014, leaving it \$140,000 below inflation, and almost \$200,000 below the cost of maintaining the staff funded by AHS in 2014. Since this AHS grant is matched by the federal government, with just \$70,000 in general funds we can fill the gap left by years of flat funding. Areas of service: **Right to Counsel** cases in which the state is required, by statute, to provide lawyers in certain kinds of cases—primarily involuntary mental health commitment and medication cases, as well as certain state guardianship and other proceedings for clients with disabilities; and, **General Civil Legal Services** cases where Legal Aid helps low-income clients solve critical civil legal problems. *Increase House \$25k appropriation*

EMPLOMENT – WAGES – SUPPORTS

S. 23 - An act relating to increasing the minimum wage - This bill proposes to increase the minimum wage so that it reaches \$15.00 per hour by January 1, 2024. Passed the Senate

H. 107 - An act relating to paid family leave - This bill proposes to create a Paid Family Leave Insurance Program within the Departments of Labor and Taxes that will be funded by contributions from employers and employees. The bill also proposes to amend Vermont's existing Parental and Family Leave Act to make it applicable to additional employers and to clarify certain provisions.

CHILD CARE - EDUCATION

Increase the child care provider reimbursement rates within the Child Care Financial Assistance Program (CCFAP) to the most current available market rates; support an expansion of workforce incentives, including educational supports for child care providers; and expand eligibility within the Child Care Financial Assistance Program. *Support House investment in CCFAP (\$7.8 M)*

H.531 - An act relating to Vermont's child care and early learning system

This bill adjusts the market rates and benefits within the Child Care Financial Assistance Program. It proposes to enable expenditures for the modernization of the Bright Futures Information System. This bill also proposes to enable expenditures for children's integrated services, scholarships, and student loan repayment assistance for individuals employed by a regulated, privately operated center based child care program or family child care home. This bill proposes to allow certain providers to use their experience to obtain an exemption from the Department for Children and Families' educational requirements.

Increase investments in afterschool and summer programs to expand high quality programs and increase statewide access.

According to Vermont Afterschool Inc., afterschool and summer programs keep kids safe and engaged. They allow parents and family members to work. They give young people opportunities to connect, build strong peer relationships, explore interests, and gain knowledge. It allows children to engage in physical activities, have access to healthy snacks and meals, work with adult mentors, and build important life-long skills, including self-efficacy, problem solving, critical thinking, collaboration, and communication.

FAMILY STABILITY - REACH UP

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.

Increase base grants to levels that provide for basic needs. There are several ways to approach this incrementally:

- True up the base grant calculation using current basic needs budget. (A budget increase of \$1 million would raise the average family grant by \$25).
- Change the basis for grant amounts to a % of an indexed measure like the federal poverty level or the Joint Fiscal Office's basic needs budget.
- Adjust the housing stipend calculation to reflect current market rates or another rational measure of housing cost. Only 25% of Reach Up participants receive public housing assistance, and those who don't are allocated just \$198/mo. (\$223 in Chittenden County) toward housing.

Legislation

H.249 - An act relating to additional Reach up Program benefits - This bill exempts motor vehicles purchased by a participant in the Reach Up Program as a benefit provided through the Department for Children and Families from sales and use tax and waive the initial registration fee for motor vehicles purchased by a participant in the Reach Up Program as a benefit provided through the Department for Children and Families.

DISABILITIES

Repeal the Reach–Up grant reduction for low-income families with children, when a parent receives SSI income because of their disability: In 2015 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. 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.

Unfreeze the waiting list for the Participant Directed Attendant Care (PDAC)

Program: Unfreeze the wait list for the PDAC Program. This vitally important program, which is funded by Vermont's general fund revenues, needs to accept new applications. The program can mean the difference between Vermonters having to impoverish themselves so as to be eligible for other attendant services programs, or retaining employment and thus maintaining their independence.

Rehabilitation Services for the Blind and Visually Impaired: Seeking an increase in State funding of \$100,000, for the continuation and expansion of our services and the addition of technology assistance. Due to limited resources, VABVI has not been able to provide adequate technology training for the visually impaired.

Pass legislation that creates and funds an AHS Deaf, Hard of Hearing, DeafBlind Services Director position within the Agency of Human Services with a single point of entry as recommended by the Deaf, Hard of Hearing, Deaf-Blind Council (DHHDB) to coordinate services and identify gaps and strengths.

AFFORDABLE HOUSING

Support for Housing Investments

Vermont must adequately fund all three legs of the three-legged stool of affordable housing investments:

Capital Investments

Increase capital investments and tax credits for building and renovating affordable housing: **Vermont Housing and Conservation Board (VHCB)** -- Provide full, statutory funding through 50% of the Property Transfer Tax.

Accessible Housing – Provide at least level funding for the **Home Access Program** at \$700,000 Support creation of a tax credit for home modifications.

AFFORDABLE HOUSING continued...

Supporting Vermonters: Closing the affordability gap for renters and first-time homebuyers Seek increases to proven state programs that provide rental and other housing-related financial assistance for low-income & vulnerable Vermonters, as well as helping young Vermonters buy their first homes:

Vermont Rental Subsidy Program – Increase from \$1 to \$2 million.

Housing Opportunity Program – Increase by \$1 million, from roughly \$4M to \$5M (net of federal and General Assistance funding included in HOP); dedicate half of the increase to financial supports.

GA Emergency Housing – Level fund at \$3.1 million for motels and \$1.9 million for community-based alternatives to motels.

Mental Health Rental Assistance Vouchers – Increase by \$200,000 to restore the \$1.4 million funding level of several years ago.

Project Based Rental Assistance -- Create a state program to help provide the additional subsidies needed to make housing affordable to the very lowest income Vermonters.

CLIMATE CHANGE INITIATIVES

Vermont Low Income Weatherization Assistance Program - Reauthorize current revenue sources for the Low-Income Home Weatherization Assistance Programs to maintain at least level funding for assistance to Vermonters with median incomes at or below 80% of HUD Area Median Income. These sources expire July 1, 2019 and include the 0.75% Gross Receipts Tax on natural gas and coal, 0.5% GRT on electricity, plus 2 cents per gallon tax on fuel oil, propane and kerosene. Continue to dedicate this funding to the HWAP.

Support the House actions to allow additional revenues raised by the current Fuel Taxes to flow into the Home Weatherization Assistance Program to increase low income weatherization efforts and not to be used for other general fund purposes.

Support H.439 - An act relating to the Home Weatherization Assistance Program to increase funding for low income Vermont households

Accelerated Weatherization Efforts - Double the number of low and moderate-income homes weatherized per year starting in 2020, as recommended by the Governor's Climate Action Council, by doubling the amount of funding invested in low- and moderate-income weatherization, focusing on customers earning up to 120% of median income. This would take us from roughly 2,000 homes to 4,000 per year.

Support investment in Weatherization Workforce Training in H.533 to build capacity, create jobs and stimulate the economy (\$350,000)

Transportation Options - Invest in Public Transportation and Create an electric vehicle incentive program, prioritizing low- and middle-income Vermonters, using VW settlement dollars.

Recommendations of the Advisory Council on Child Poverty and Strengthening Families

Prepared by: Jared Adler; Law Clerk, Vermont Office of Legislative Council

A. Statement of Purpose & Authority

The Advisory Council was created by 2018 Acts and Resolves No. 207 for the dual purposes of:

1. identifying and examining structural and other issues in Vermont that lead to families living in poverty and create conditions that prevent families from moving out of poverty; and
2. advancing policies that promote financial stability and asset building, support safety nets for families with low income, and mitigate the effects of childhood poverty, with the goal to reduce incidences of childhood poverty.

The Advisory Council recognizes that reducing childhood poverty requires a “whole family” approach. Health and the effects of poverty are inextricably connected, as well as childhood and adult trauma. No one entity, including government, has the sole responsibility for reducing poverty and its lasting impacts. Government should be the catalyst for bringing all stakeholders—providers, schools, communities, faith groups, private businesses, and governmental agencies—together to develop better support systems for children and families. The Advisory Council seeks opportunities to support children and families living in poverty while simultaneously exploring structural changes to address poverty’s root causes.

The Advisory Council met six times in 2018, including one off-site meeting in St. Johnsbury at the Northeast Kingdom Community Action Parent Child Center. Testimony at each of the Advisory Council’s meetings was delivered by a diverse array of community stakeholders, advocates, government agencies, and members of the public.

B. Recommendations

1. *Child Care and Early Learning*

The Advisory Council recommends:

- (a) **increasing child care provider reimbursement rates within the Child Care Financial Assistance Program (CCFAP) to the most current available market rates;**
- (b) **supporting an expansion of workforce incentives, including educational supports for child care providers; and**
- (c) **expanding eligibility within the Child Care Financial Assistance Program.**

The Advisory Council received significant testimony from government agencies, advocates, and providers regarding the delivery and accessibility of child care services in Vermont. High child care costs and limited spaces are two barriers to access for Vermont families. While CCFAP addresses affordability to some extent for Vermont’s families with the lowest income, the Advisory Council encourages more significant investments in this Program to enhance existing financial assistance benefits and expanded eligibility. In addition, the Advisory Council supports

efforts to build capacity among child care providers by providing greater opportunities for professional development.

2. *Afterschool and Summer Programs*

The Advisory Council recommends increasing investments in afterschool and summer programs to expand high quality programs and increase statewide access.

According to Vermont Afterschool Inc., afterschool and summer programs keep kids safe and engaged. They allow parents and family members to work. They give young people opportunities to connect, build strong peer relationships, explore interests, and gain knowledge. It allows children to engage in physical activities, have access to healthy snacks and meals, work with adult mentors, and build important life-long skills, including self-efficacy, problem solving, critical thinking, collaboration, and communication.

The Vermont General Assembly allocated \$600,000.00 to expand access to afterschool programs over three years using tobacco settlement funding.¹ A report from the Expanded Learning Opportunities (ELO) Working Group, a subcommittee of Vermont's PreK–16 Council has shown that \$2.5 million per year is needed to ensure that every family and student in Vermont in need of afterschool and summer learning opportunities have access to these programs.²

3. *Affordable Housing*

The Advisory Council recommends:

- (a) increasing capital investments to reduce the shortage of affordable housing in Vermont, for example by providing full statutory funding for the Vermont Housing and Conservation Board;**
- (b) increasing rental assistance and other housing related financial supports, for example increasing funding for the Vermont Rental Subsidy and Housing Opportunity Grant Program; and**
- (c) expanding investments in support services to increase housing retention for families, for example by increasing funding for Family Supportive Housing.**

The Advisory Council heard testimony that improving housing stability has long-term benefits for children and strengthening families. According to the MacArthur Foundation, any residential move during childhood is associated with nearly half a year loss in school.³ Further, substandard housing contributed to children's developmental delays by age two and poor health at age six.⁴ Moving three or more times during childhood lowered later earnings by nearly 52 percent.⁵ Housing costs were by far the leading cause of financial stress for Vermonters surveyed by

¹ 2018 Acts and Resolves. No. 11 (Special Session), § C.106.2.

² Report from the Expanded Learning Opportunities Working Group, *available at*: <https://bit.ly/2COxIFm>.

³ *How Housing Matter*, MacArthur Foundation, *available at*: <https://www.macfound.org/press/article/lessons-learned-housing-research/>.

⁴ *Id.*

⁵ *Id.*

Vermont Public Radio and Vermont Public Broadcasting Station in October 2018. At 32 percent, housing exceeded the next most commonly cited expense, taxes, by 14 percentage points.⁶

Families and children experiencing homelessness experience “toxic stress” that has long-lasting repercussions. Research by pediatrician Dr. Megan Sandel at the Children’s HealthWatch has documented that young children who experienced homelessness for longer than six months were significantly more likely to have developmental delays, fair or poor health, be overweight, and be hospitalized, than children who never experienced homelessness or did so for less than six months.⁷ While young children who experienced pre-natal or post-natal homelessness alone had increased negative health outcomes, those who experienced both pre- and post-natal homelessness had even more serious health consequences.⁸

The Advisory Council supports implementation of the recommendations in the legislatively commissioned Roadmap to End Homelessness Report.⁹ The report calls for continued and increased housing investments that reduce homelessness and housing insecurity among families with children, including 368 new units of permanent supportive housing and 1,251 new homes made affordable to Vermonters with very low income over the next five years, as well as housing supports and services and prevention for another 1,529 households.

4. *Economic Empowerment and Employment Supports*

The Advisory Council recommends:

- (a) increasing the minimum wage in Vermont alongside corresponding adjustments in benefits eligibility to avoid a net loss to beneficiaries;**
- (b) the adoption of paid family and medical leave legislation;**
- (c) increasing funding for economic programs that create jobs and build savings and assets, for example, the Micro-Business Development Program and the Vermont Matched Savings Program (formerly Individual Development Account);**
- (d) investing in workforce training and financial literacy education;**
- (e) supporting transportation-related public initiatives, including increasing public transportation options, increasing access to reliable and affordable vehicles, and providing license fee and fine remediation assistance;**
- (f) increasing Reach Up financial assistance for households to one hundred percent of their basic needs based on the current cost of living, with automatic increases for inflation; and**

⁶ *A Survey of Vermonters*, The VPR - Vermont PBS Poll (October 2018), available at: <http://projects.vpr.net/vpr-vermont-pbs-poll>.

⁷ Sandel M, Timing and Duration of Pre- and Postnatal Homelessness and the Health of Young Children. *Pediatrics*, 2018;142(4): e20174254, available at: <http://pediatrics.aappublications.org/content/pediatrics/142/4/e20174254.full.pdf>.

⁸ *Id.*

⁹ Roadmap to End Homelessness Report, available at: <https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20General/Housing/Homelessness/Roadmap%20to%20End%20Homelessness/W~Larry%20Oaks~Roadmap%20to%20End%20Homelessness%20-%20Final%20Report~1-10-2017.pdf>.

(g) reversing the reduction in Reach Up grant amounts for households where an adult with a disability is receiving Supplemental Security Income (SSI).

Recognizing that Reach Up grants to families have not had a cost of living adjustment since 2004 and now provide less than 40 percent of the income needed to meet basic needs, the Advisory Council recommends that Reach Up financial assistance be increased to ensure 100 percent of a household's basic needs are funded based on the current cost of living. The Advisory Council also recognizes that poverty is both a cause and consequence of living with disabilities and that people with disabilities experience poverty at a rate more than twice that of the general population.¹⁰ To that end, the Advisory Council recommends the reversal of the SSI Reach Up benefit reduction.

5. Trauma and Family Supports

The Advisory Council recommends that the committees of jurisdiction:

- (a) support and monitor the implementation of the Agency of Human Services' Act 43 Childhood Trauma Response Plan;¹¹ and**
- (b) support increased funding for parent child centers and their two-generation approach supporting the five Protective Factors.**

The Advisory Council heard testimony regarding the work of the Agency of Human Services and its community partners to prevent, mitigate, and intervene in trauma and build resilience for children and families in Vermont. The Advisory Council also heard testimony describing the five Protective Factors: parental resilience, social connections, knowledge of parenting and child development, concrete support in times of need, and social and emotional competence of children. The Agency's grants supporting one or more of these Protective Factors are part of an approach to build resilience amongst Vermonters. Parent-child centers were highlighted as a key source for implementing this plan, and the Advisory Council supports continued investment in these resources.

C. Benchmarks

The Advisory Council's enacting legislation provided the opportunity to establish benchmarks for measuring its progress, in addition to those listed in statute. The Advisory Council has adopted the three benchmarks listed below in subsection (2) of this part.

1. Statutory Charge

Review as compared to 2016, and track for midterm review in 2023:

- a. the number and percentage of children living in families at 50 percent, 100 percent, and 200 percent of the federal poverty level; and
- b. the number and percentage of children living in families paying more than 30 percent of their cash income for housing and related expenses.

¹⁰ *Income and Poverty in the United States: 2017*, United States Census Bureau,, available at: <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf>.

¹¹ The Act 43 Childhood Trauma Response Plan, available at: <https://legislature.vermont.gov/assets/Legislative-Reports/Combined-Act-43-Report-FINAL082417.pdf>.

2. Additional Benchmarks

- a. The number and percentage of children living in poverty according to the Supplemental Poverty Measure.¹²
- b. The number of children experiencing homelessness on a given night.¹³
- c. The number of children whose parents lack secure employment.¹⁴

¹² Data shall be derived from the U.S. Census Bureau and compiled by Voices for Vermont's Children. *More information on the Supplemental Poverty Measure available at:*

<https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-265.pdf>

¹³ Data shall be derived from the Point-in-Time Count, which is used by the Vermont Coalition to End Homelessness, as reported to the U.S. Department of Housing and Urban Development.

¹⁴ Data shall be derived from the U.S. Census Bureau compiled by the Annie E. Casey Foundation.