



Memorandum

To: Senate Committee on Appropriations

From: Michelle Fay, Executive Director

Date: April 16, 2019

Re: FY20 Budget – Reach Up

Imagine you are a tightrope walker, tiptoeing precariously above the floor of the circus tent, juggling a bunch of things. Now imagine that the safety net that is supposed to catch you if something goes wrong is inexplicably buried several feet below the concrete floor. That's the Reach Up program for children and caregivers trying to subsist at the margins of our economy today.

The “floor” for Vermont’s safety net programs should be at or above what is required for a safe, dignified, healthy existence. Reach Up cash grants to families haven’t had a cost of living adjustment since at least 2004, and provide only about 35% of what’s needed to cover the most basic human needs. This meager level of support makes it harder for the adults on the program to meet their self-sufficiency goals, because so much of their energy is directed toward just surviving. The stress of living in poverty also increases the likelihood that families will come in contact with the child protection system, as parents’ decision-making ability is undermined by the impact of scarcity (sometimes referred to as the bandwidth tax). Research shows that kids who grow up in a state of deprivation don’t do as well as their peers from affluent families, and even small increases in family income can improve outcomes.

As the value of Reach Up cash assistance declines, the program is serving a smaller share of Vermont families living in poverty. In 2006, 79% of families in poverty were served by Reach Up. In 2017, that number fell to 55%. This means that a significant portion of the caseload decline is not a good-news story of people moving out of poverty, but rather the consequence of a safety net program whose benefits are not worth the program requirements, loss of dignity, and stigma.

Reach Up should provide 100% of the basic needs budget calculated by DCF. Nearly \$16 million has been shifted from Reach Up in the past 5 years. Restoring even one million of this could increase the average family support grant by \$25/month – not a tremendous amount of money, but enough to buy a box of diapers, or a tank of gas. Enough to make a difference. Or, \$1 million amount would cover the elimination of the \$115/month penalty assessed on families that include a disabled adult on SSI. We know that poverty is both a cause and consequence of living with a disability. People with disabilities experience poverty at much higher rates than those without. This penalty exacerbates inequity and should be repealed.

In closing, I’d like to stress that there is no single magic policy or investment that will ensure that every child in Vermont gets to thrive. A national coalition of groups working to end child poverty - aptly called [End Child Poverty US](#) and comprised of organizations like the American Academy of Pediatrics, First Focus, and others - points policymakers to consider the successes of Canada and the UK in reducing child poverty by half. On February 28 of this year, the National Academies of Sciences, Engineering and Medicine (NASEM) released a consensus study, [A Roadmap to Reducing](#)

[Child Poverty](#). The report concluded that “no single policy or program change on its own can cut our national child poverty rate in half within a decade.” However, combinations of policy and program changes which include work supports, refundable child tax credits, affordable housing, increasing the minimum wage, and safety net benefit increases (free of work requirements) can achieve the goal of halving child poverty in a decade.

Please consider bold action on a mosaic of approaches known to advance equity, meet basic needs, and support children and families whether they are engaged in, or excluded from, our economy.