

February 8, 2022

Good Evening,

I am Jenna O'Farrell, St. Johnsbury, the Executive Director of Northeast Kingdom Community Action which serves Caledonia, Orleans and Essex counties. I am also representing the Vermont Community Action Partnership (VCAP) Vermont's network of 5 Community Action organizations: NEKCA, SEVCA, BROCC, CVOEO and Capstone. Thank you for the opportunity to comment upon the Governor's recommended budget for SFY 2023.

Vermont Community Action Partnership is the leading organization addressing poverty through education, community collaborations, and essential services. We believe in each individual's potential for positive growth and change. Services address food insecurity, financial wellbeing, homelessness, warmth, early education, restorative justice, community re-integration, and employment. Community Action Agencies provide many services and engage participants in a variety of programs and relationships. Throughout the pandemic, we never shut our doors and increased critical supports and services to the most vulnerable Vermonters. (Please refer to the annual report, submitted with this testimony, for details on the extensive services and impact VCAP has had throughout the pandemic)

Our staff have served as essential employees on the frontline of pandemic relief efforts. From supporting individuals with housing at the many hotels throughout the state to expanding efforts to combat food insecurity. When Senator Sanders held a call with the five Community Action Executive Directors, he specifically asked me how rural Vermonters in the Northeast Kingdom could access food if they didn't have transportation. We took that charge very seriously and collaborated with community partners to implement the ONE (Orleans/No Essex Delivery Service) where volunteer drivers bring food, masks, and even test kits to people who can't visit our food shelves. Our services are flexible, responsive and timely.

We greatly appreciate the legislative funding we received to implement and extend the E.M.B.R.A.C.E small business grant program administered through our Micro Business Development Program. Vermont's Micro Business Development Program EMBRACE project is designed to assist underserved Vermont micro business owners that have been financially impacted by COVID-19. VCAP partners. This program will continue to provide grants of \$5,000 to qualifying micro business owners on a first come, first serve basis, providing greater household financial security, business longevity and the retention of state tax revenues through the preservation of these businesses. This grant also aims to help micro business entrepreneurs retain, expand, and start micro businesses.

For new investment moving forward, we are requesting \$400,000 for implementing our statewide Volunteer Income Tax Assistance (VITA) program to help low income Vermonters file their taxes to ensure the state receives the taxes owed, and that these Vermonters also receive the full complement of refunds they are eligible for. This is particularly critical in this year with the specialized tax credit programs, including the Child Tax credit that many low income Vermonters are eligible for, but may not receive without the VITA support.

All Vermont Community Action Agencies offer the IRS's Volunteer Income Tax Assistance (VITA) to low income Vermonters, **free of charge**. VITA sites offer free tax help to people who need assistance in preparing their own tax returns, including: people who earn \$58,000 or less; persons with disabilities; and limited English-speaking taxpayers. Thousands of low income Vermonters relied on the VITA program during the pandemic. Those receiving stimulus funds (advanced Child Tax credit, unemployment insurance) will need our support more than ever. With full funding we can reach twice as many low

income Vermonters, saving them a minimum of \$125 for a simple return prepared by a for-profit tax preparation firm.

Historically, the VCAP VITA tax program has run on philanthropy and grant support to offer this critical service. As a result, VITA has had an uneven implementation statewide due to the lack of funding across the five agencies. To ensure all Vermonters have access to critical VITA services – especially our rural Vermonters – we are asking for \$400,000 to support this program statewide. This will provide= \$80,000 to support a full time VITA program coordinator in every Community Action Agency in Vermont. **This would allow all income eligible Vermonters access to free, accurate, and reliable tax support year round.** Please see attached Fact Sheet for additional information.

In closing, we appreciate greatly the important support you have provided for low income Vermonters throughout the pandemic. We see this moment as an historic opportunity to reset our economic disparities through investments into programs that can truly help individuals rise out of poverty. We stand ready and willing to partner with you to create new and long lasting opportunities for those who have struggled the most.

Sincerely,
Jenna O'Farrell