



Memorandum

To: House Committee on Appropriations, House Committee on Human Services, Senate Committee on Appropriations, Senate Committee on Health & Welfare

From: Michelle Fay, Executive Director

Date: February 3, 2022

Re: FY23 Budget – Reach Up

FY23 Reach Up Budget Request Letter from the Reach Up Coalition

Voices respectfully offers this testimony regarding the Reach Up program’s 2023 budget on behalf of our coalition of advocacy organizations and impacted people.

We appreciate the stated intent of the legislature and the administration to use the revenue abundance brought about by federal COVID relief to make investments that will put everyone in Vermont on a path to economic security, health, and wellbeing. Members of our coalition are especially interested in high-impact program changes that direct resources to the lowest income children and families equitably. Reach Up is one of the programs designed to do just that, and we’re excited about the potential to modernize the program with the proposals put forth in H.672 and H.464. There’s no question that these “Reach Up(dates)” will require us to put our money where our mouth is as a state. If we truly want to end child poverty, now is the time to act.

The Reach Up statute contains this statement of purpose:

“Financial assistance shall be given for the benefit of a dependent child to the relative or caretaker with whom the child is living, unless otherwise provided. The amount of financial assistance to which an eligible person is entitled shall be determined with due regard to the income, resources, and maintenance available to that person and, as far as funds are available, shall provide that person a reasonable subsistence compatible with decency and health”

Last year’s increase to family grants was likely the largest since Reach Up’s inception. Combined with the Reach Up Emergency Rental Assistance program (RUERA) funded by a small portion of

the federal pandemic housing funds, families enrolled in Reach Up came close to actually experiencing a functioning safety net for the first time. It is unthinkable that we would revert to a system that provides only 43% of a subsistence budget (\$811/mo for a family of 3 outside of Chittenden County) and expect people to overcome barriers to employment while being attentive, loving caregivers to their children. Only 25-30% of Reach Up households had access to subsidized housing prior to RUERA, so we're going to see a wave of nonpayment evictions and the return of significant housing instability and homelessness for RU families if we let the ERA end for them with nothing else to pick up those very real-life rent costs.

H.672 offers a simple and cost-effective solution – provide a housing allowance commensurate with fair market rents to every eligible Reach Up household. Based on utilization of the RUERA program in 2021, we estimate this investment in children’s health, safety, and development to cost approximately \$8.4 million. The Governor’s budget proposes a cut of over \$4.6 million in the FY23 Reach Up budget. We request that these funds be retained in the program, with an additional appropriation sufficient to meet the estimated housing needs of families enrolled in Reach Up.

The research is clear: kids who grow up in poverty don’t do as well as their peers from affluent families in the areas of health, educational attainment, and future earnings. Research overwhelmingly finds that even modest increases in family income can have a meaningful impact on kids now and in the future.

Homelessness and housing insecurity take an especially serious toll on kids that is costly to society in both absolute and moral terms. In the present, the cost of keeping a family housed is exponentially lower than putting them in a motel, and reduces costs for service providers and schools that have to meet higher needs families when kids become homeless. It also shores up housing as a whole, by providing financial stability to landlords. In the future, reducing toxic stress in families brought on by poverty pays dividends in better health, stronger parent-child relationships, and higher earnings in adulthood.

In the past, the justification for not prioritizing our most marginalized kids and families is that we have insufficient resources to do both primary prevention and attend to the negative outcomes from prior disinvestment in kids and families. If we want people - and especially families with young children - to thrive, we must invest in those families and remove barriers to supports and services. Rather than pulling people out of the proverbial river, we have the chance right now to send a team upstream and stop them from falling through holes in the bridge. Please don’t let the opportunity pass us by.

Summary of the ask: our coalition requests that the FY23 budget include adequate funding to continue providing a housing allowance to every eligible Reach Up household that is commensurate with fair market rates, not subject to a ratable reduction. Based on actual RUERA figures from 2021, we estimate the cost to be \$8.4 million, but have not been able to secure current caseload data and RUERA cost projections.

Signed by:

Michelle Fay, Voices for Vermont's Children

Matt Levin, VT Early Childhood Advocacy Alliance

Jessica Radbord, Vermont Legal Aid, Inc.

Anore Horton, Hunger Free Vermont

Sophia Donforth, Milton Family Community Center

Karen Lafayette, Vermont Low Income Advocacy Council

Amy Johnson, Parent Child Center of Northwestern Counseling & Support Services

Carrie Stahler, The Vermont Foodbank

Denise Main, Sunrise Family Resource Center