

To the Senate Health and Welfare Committee – Comments on H.464 Reach-Up

The Vermont Low Income Advocacy Council has always supported those changes in the Reach-Up program that help to stabilize those families in poverty in a more impactful and respectful way, to reduce or eliminate obstacles to employment, to provide educational and training opportunities, and to help families move toward a more secure financial future.

In the past number of years we have seen small incremental changes to Reach-Up: increasing the income disregards, eliminating the final \$77 dollar reduction in benefits (out of \$125) for those families with a parent with disabilities that received Supplemental Security Income related to their expense of their disability needs, and recently the direction of “one time” underutilized funds to be distributed to Reach-Up families. We have not, however, addressed some of the significant structural changes to Reach-Up that would make the program an even *more* viable anti-poverty program.

We have continued to advocate for increasing the Reach-Up benefit to reflect the increased cost of basic needs more closely, for increasing income disregards, and reducing penalties. More money in the pockets of low-income people is good for families, and it is good for the economy. Increasing income disregards also incentivizes employment.

We are really pleased with the work the Legislature is doing on Reach-Up along with the administration, to continue to improve and modernize the program to best suit the needs of those families who find themselves in need of assistance for a period in their lives, especially given the dramatic effects of the pandemic. The fallout from the health and economic crisis of COVID has been a setback for many Vermonters, especially those living in poverty and low income. As we have seen, there will continue to be increases in the numbers of families needing the Reach-Up program for the near future.

VLIAC fully supports those language changes in the Reach-Up statute in H.464 that reflect working with families in a more collaborative manner with dignity and respect:

“Collaboration instead of Directives; Participation instead of Requirements.”

We support those policy changes that offer the ability to be flexible and meet the families where they are in the process and address their specific needs at the time; be it taking care of a mental

health issue and finding stable housing or pursuing a post-secondary education or a job training program. The expansion of deferment activities is long overdue, as are increases in income and childcare supports disregards.

The one thing the pandemic did do is illuminate the inequities and gaps for a number of populations that existed before the pandemic and only got worse after. The stimulus payment and extra assistance will not last beyond a fixed period of time. We need to take this opportunity to better support families and help them move forward, utilizing those programs and policies that we know work help lift families out of poverty, meet their goals, and help them achieve financial stability.

H.465, as passed by the House does address some important programmatic changes, however it does not address some of the key elements needed to sustain families, remove barriers, and help people move toward economic stability.

The current Reach-Up benefit is less than half of what a family needs to sustain their basic needs and that does not recognize the recent increases in cost-of-living.

VLIAC supports adjusting the Reach-Up benefit annually each year for inflation and increasing the rateable reduction to 60% (replacing the 49.6% currently set by rule). At that level, along with some of the other existing heating and nutrition benefit programs, it would allow families to *at least* meet the basic needs to support their families and not fall further behind.

We know the ill effects of poverty, and recent consensus supports the thinking that poverty causes serious and long-lasting harm to children. We also know that additional financial supports for low-income families positively affects the health and wellbeing of families. We know what policies work to help alleviate poverty, and that these best practices have proven results. Whatever we can do under federal guidelines, supplemented with our own State support we should do.

Thank you for your consideration.

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