



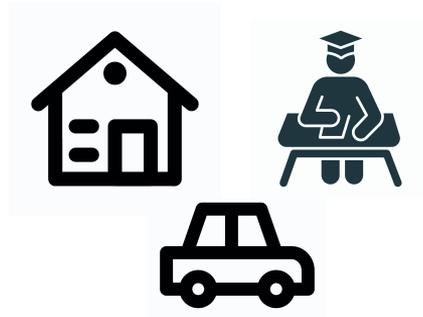
H.657 Testimony

Michelle Fay, Executive Director

Kate Bailey, Senior Policy Advocate

Section 1: Reach Up Asset Limit

We **support** eliminating the asset limit to:



Reduce barriers to transportation, housing, and investments in education.



Reduce bureaucratic burden, improving participants' access to their case manager for essential support.



Better align eligibility rules across benefits programs.

Suggestion: Exempt Lump Sum Payments from Eligibility Determination

We suggest additional language to count **lump sum payments as an asset**, not income, and exempt them from eligibility determination.



- Reduce administrative burden caused by complex rules that are subject to the interpretation and discretion of DCF/ES staff.
- Reduce risk of federal payment error rate scrutiny.

Lump Sum, cont.



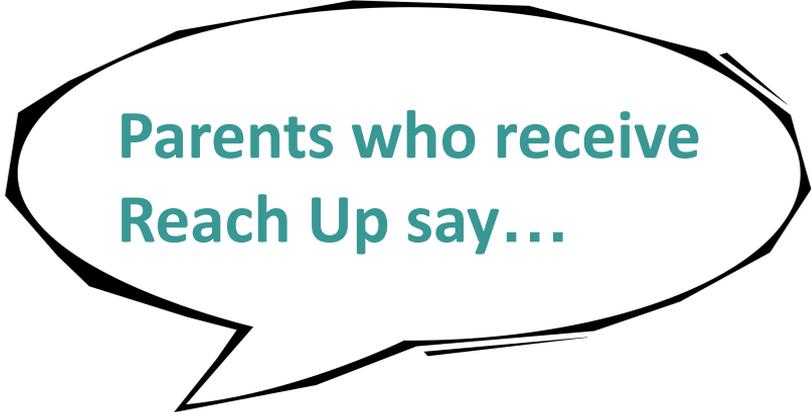
- **Reduce disruptions** in children's economic security from eligibility churn.
- Allow families to focus on **economic mobility and asset-building**, and let case managers focus on providing support, not acting as forensic accountants.
- **Incentivize mutual aid and resourcefulness** in the face of diminishing state income support.

Support Asset-Building and Responsive Parenting

“In the rules, you’re not allowed to save.”

“We are barely scraping by and can't save anything because we will have our benefits decreased or lose them all together.”

“It took me almost 5 months to save some money to find a vehicle that will fit all 4 of my kids.”



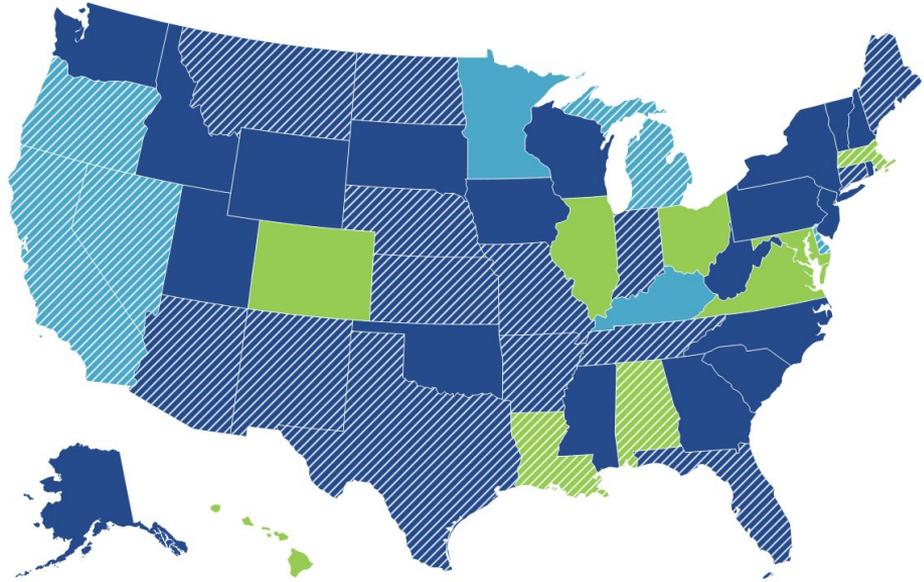
Parents who receive
Reach Up say...

3/2/26

National Policy Patchwork

TANF Asset Limits & Treatment of Lump Sum Payments

■ No Asset Limit ■ \geq \$10k Asset Limit ■ \leq \$9k Asset Limit ▨ Lump Sums excluded from income



Asset limits as of 2023. States w/ striped overlay treat lump sums as assets in the month received. Other states treat lump sums as income for one or more months. Either approach may impact eligibility.

Map: Voices for VT's Children • Source: Urban Institute | Welfare Rules Database • Created with Datawrapper

Reach Up Coalition Members



Section 3: Social Security Benefits

We **support** current language to correct the practice of DCF intercepting benefits meant for foster youth who are disabled or have lost a parent.

- Estimated 10% of children in foster care are eligible.
- 40% of disabled young adults who age out are homeless within 2 years.
- Promoting financial security for independent youth is the best way to decrease risk of human trafficking



Section 3: Social Security Benefits

ONE YEAR OF SSI/SSDI BENEFITS IS EQUIVALENT TO:



9 months to 1 year of Childcare for a 2-4 year old

[Demanding Change: Repairing Our Childcare system](#) [↗]. Report by Child Care Aware 2022



2 years of books & supplies for college

Hanson, Melanie. ["Average Cost of College & Tuition"](#) [↗] EducationData.org, November 2023



4 years of SNAP benefits

USDA 2021 Data



10 months of rent for a one bedroom (national average)

[National Low Income Housing Center](#) [↗]



Section 3: Social Security Benefits

We **request striking Section 3.B.**

- Preserve benefits as stated in Section 3.C.
- Notification early and often– beginning with initial eligibility.
- Support developmentally appropriate shared decision-making and annual accounting.



Section 3: Social Security Benefits

The top federal child welfare official sent Gov. Scott a letter on December 8, 2025 requesting he issue an immediate Executive Order to “stop the interception of children’s survivors benefits and... conserve them for the child’s unmet needs.”



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of the Assistant Secretary | 330 C Street, S.W., Suite 4034
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December 8, 2025

Governor Phil Scott
Office of the Governor
109 State Street, Pavilion Building
Montpelier, VT 05609

Dear Governor Phil Scott,

The steadfast leadership of First Lady Melania Trump and her commitment to the well-being of America’s most vulnerable children is captured in the Executive Order (EO), *Fostering the Future for American Children and Families*. This landmark effort will strengthen our child welfare system and reaffirms our collective duty to protect those who cannot protect themselves. It is in that spirit that we write to highlight a pressing issue for your attention.

Among the most vulnerable children are those who have deceased parents, some of whom might be eligible for federal survivors benefits. These benefits could be the last, or only, financial support deceased parents can provide to their children. The Administration for Children and Families (ACF) at the US Department of Health and Human Services (HHS) is aware that states across the country, perhaps unknowingly, but however unfortunately, divert these survivors benefits away from a child to offset agency expenses.

In the spirit of the EO, this practice is contrary to the best interests of children, and we are working to put an end to this practice. To date, 12 states have enacted policies to stop the interception of children’s survivors benefits and to conserve them for the child’s unmet needs. To support other states in following suit, we will share resources to help your state to change this practice, including executive order templates governors may use when directing their state agencies on the issue, and we stand ready to assist you.

Thank you for your attention to this critical matter and for your dedication to the well-being of children in our country. Your child welfare agency bears the responsibility of safeguarding children and ensuring they are better off



H. 657

We generally **support** the intent of the remaining sections of the bill.

For more information

- Voices recorded an informational [webinar](#) on this topic in April 2024 if you'd like to hear from national experts and lived-experience advocates.
- The [Children's Advocacy Institute](#) at the University of San Diego is a leading national resource on the topic.
- ["Preserving Foster Children's Federal Benefits"](#) Toolkit for State Legislators





Thank You!

Michelle Fay, Executive Director

Kate Bailey, Senior Policy Advocate