

Child Poverty Council Economic Security and Empowerment Sub-Committee

For families that find themselves in economic turmoil, in danger of becoming homeless, cold or hungry, making low wages, and/or needing some temporary assistance, the State must maintain a safety net, while addressing those needs that help people move out of poverty and transition to self-sufficiency. We must provide adequate funding and supports to assist those in need to stabilize families in the short term, and put forth policies and invest in those programs that work to alleviate and end poverty for the long term.

Economic Empowerment and Opportunities

- 1. Restore and Enhance Economic Opportunities for Low-Income Families.** Invest in proven strategies for creating financial stability and building financial capability with four successful and underfunded, cost effective programs to address economic inequity. **Increase investments in Micro Business, Individual Development Accounts, create a matched savings program with expanded uses, provide funding for financial coaching, credit repair, and banking program initiatives in order to create new jobs, build assets, and promote financial skills.**
- 2. Increase investment in Vermont's Child Care Financial Assistance Program (CCFAP):**
 - **Raise the base financial payment for all child care providers to 50%** of the current market rate, with the long-term goal of raising the base to 75% of the current year market rate and **Raise eligibility for CCFAP to 300% of the federal poverty level.** Families receiving payments from the Child Care Financial Assistance Program are subject to a benefit cliff that starts at 100% of the Federal Poverty Level (FPL) and ends with zero eligibility at 200% of the FPL.
 - **Support incremental increases to meet these goals over time,** or implement other feasible measures to increase the affordability of childcare for Vermonters. Mandate that market and Federal Poverty Level guidelines used to determine payments and eligibility for CCFAP be adjusted annually and kept current.
- 3. Improve workforce training efforts to address low-income community.** Increase existing workforce training and education resources to target the low-income population and explore previously successful partnership between the Vermont Department of Labor and Reach-Up on employment issues. Encourage full participation by all stakeholders and providers in federal grant opportunities, such as the Workforce Innovation and Opportunity Act (WIOA).
- 4. Create and fund a comprehensive, large-scale study on transportation issues** for elders, those with disabilities, and the low-income population, to make improvements for all Vermonters. For much low-income Vermonters transportation is the linchpin by which they succeed or fail. While Reach Up has processes in place to assist some consumers, thousands more remain unemployed or underemployed for lack of transportation.

Economic Security (Safety Net): Stabilize families in need

- 1. Increase Reach Up grants to meet a higher percentage of the Standard of Need.** To pull themselves out of deep poverty a family must have enough to meet basic needs. The current Reach Up grant meets only approximately 49% of the basic need standard. The program has nearly reached its goal of moving families off of the system as quickly as possible. What it has not done is keep pace with the needs of those Vermonters.

- **Increase the family needs budget** by adjusting the “ratable reduction” to at least 55% of basic need and gradually increasing it to cover 100% of basic needs.
 - **Apply the 180-day extension of Reach-Up when a family loses custody of a child fairly and consistently.** The purpose of the rule is to allow for continued benefits while the families work toward reunification with their children. The rule needs to be applied uniformly across the state. Reach-Up benefits should be maintained when the court has made reunification the goal or another goal has not been articulated.
- 2. Repeal \$125 a month reduction in Reach Up benefit for families with a member receiving a disability benefit.** This FY 16 Reach Up benefit cut is a \$1.65 million dollar reduction affecting over 1,100 households. The family member with a disability receiving an SSI benefit was already excluded from the calculation that determines the Reach Up benefit amount. These families have additional expenses related to the disability. The reduction will destabilize families that are already economically burdened and reduce, if not eliminate any real possibility of being able to exit the program.
- 3. Support successful employment policies that make “work pay” and help families seek and maintain employment including:**
- **Pass Paid Sick Days Bill (H.187)** to ensure working Vermonters can take care of their health and safety needs by accruing a minimum number of paid hours annually so that they can take paid time from work to address issues related to health care or safety for themselves or a family member without the loss of pay.
 - **Reduce or eliminate benefit cliffs, increase income disregards and asset limits for Reach Up families,** the Poverty Council recommends adding an additional \$50 income disregard to encourage work, and raising the asset limit from \$2,000 to \$10,000 to encourage savings and self-sufficiency.
 - **Expand the Earned Income Tax Credit (EITC).** This tax credit is often described as one of the most effective anti-poverty tools that flows directly to working low-income citizens. Vermont should expand the EITC from 32% of the federal tax credit with a goal of reaching 40%, joining the District of Columbia for the highest rate in the nation.
- 4. Adequately fund resources for warmth to keep homes affordable:**
- **Maintain and increase State dollars in the LIHEAP Fuel Assistance Program** to cover the higher average cost of heating a home. In FY 16, the benefit accounted for less than the 34% of the average home heating cost. This year’s benefit will only cover the “purchasing power” of the 2014-15 heating season, which could be lower than the 34% average cost coverage.
 - **Fully fund Crisis Fuel Assistance needs.** Remove the one grant restriction instituted in FY 14 and allow two grants to cover emergency needs.
 - **Increase the investment in the Weatherization Assistance Program** to reduce the energy burden on low-income Vermonters. Low-income Weatherization was reduced by \$2 million in FY 16.