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Governor Douglas Hosts Summit on Pathways to Economic Stability

Montpelier, VT – On Monday, April 6, more than 130 people including legislators, educators, state and business leaders, community advocates, and non-profit agency representatives, participated in a *Summit on Pathways to Economic Stability*, hosted by Governor Jim Douglas at the State House.

The goal of the summit said organizers was to harness existing public programs, private partnerships, and community initiatives and prioritize current recommendations to address the issue of poverty in Vermont—a problem affecting about 10% of the state's population.

In his introductory address, Douglas said that while Vermont has made tangible progress in many areas and developed action plans in others, it was time to synthesize our thinking and prepare to move forward. He asked participants to spend the day focusing on the most important concrete steps we could take now, as well as additional steps we could take as we emerge from this economic downturn.

"We've structured this summit not to focus on the problems of poverty but rather the solutions," said Governor Douglas. "It was a conscious decision on our part to engage all of you in thinking about how to prioritize our efforts and create pathways to economic stability for all Vermonters".

During the morning session, participants heard presentations from government, business, and community. In the afternoon, participants were broken down into workgroups and tasked with prioritizing recommendations for action pulled from five reports: 1) the Vermont Child Poverty Council's Report *Improving the Odds for Kids*; 2) the Governor's

Hunger Task Force Report *Hunger in Vermont: An Action Plan for Change*; 3) the 2008 Report to the Governor from the Vermont Interagency Council on Homelessness; 4) the 2008 Goals and Measures Report from the Next Generation Workforce Leadership Committee; and 5) Work Supports in Vermont: An Analysis of the Effectiveness of State Policies Supporting Work.

During the final address of the day, Governor Douglas said that it was clear from every work group that the state needs to take action on the so-called “benefits cliff.” A benefit cliff happens when a small increase in income leads to the termination of a benefit such as child care financial assistance, public health insurance, and Reach Up cash assistance. The result is that families with parents who work and earn more may end up worse off than they were before.

In recognition of this priority, Governor Douglas asked AHS Secretary Rob Hofmann and DCF Commissioner Steve Dale to convene a work group, representing a broad group of stakeholders, to perform a thorough analysis of the current system, identify the biggest challenges, and recommend the best strategies for addressing the benefits cliff. The analysis is to be completed by January of 2010.

“It is not okay to have a system of work supports that penalizes people for working and moving up the career ladder,” said Governor Douglas. “We must work towards the creation of a system that provides incentives to work, assures that people who work full time can meet their basic needs, and rewards progress in the workforce”.

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