

Date: April 13, 2023

To: Senator Lyons and Senate Health and Welfare Committee

From: Miranda Gray, Deputy Commissioner, Economic Services Division and Erin Oalican,
Director, Reach Up

Re: H.94 – An act relating to removing the Reach Up ratable reduction

Reach Up Summary

Reach Up provides financial assistance to families with children. Adults are provided with coaching to help them develop goals and improve their financial situation through increasing their income – training, education, employment and in some cases pursuing SSI. Case managers work with families to address obstacles in their lives that will prepare them for education and work – such as mental health, children’s health and school needs, domestic violence, transportation, housing, finding quality childcare, etc.

THE REACH UP MISSION:

We join families on their journey to overcome obstacles, explore opportunities, improve their finances, and reach their goals.

OUR VISION:

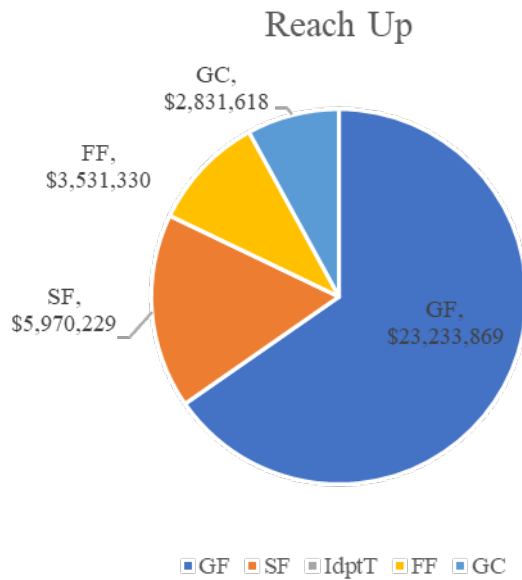
Families are empowered, connected and thriving.

Numbers and Demographics

- About 3400 households
- Of those 3400, approximately 1100 are child only grants

- About 2700 adults participating in coaching services
- Maximum monthly grant for family of three outside Chittenden County - \$856 (any countable income – employment, unemployment, child support etc. – is deducted from the maximum grant after applicable deductions) Reach Up is funded through the federal TANF block grant and General Fund
- The TANF block grant has been level funded for 25 years; consistent regardless of how many people in Reach Up; this differs from SNAP funding, which is a federal entitlement program.
- Block grant is \$47 million – DCF leverages the funding to serve Vermont families that meet eligibility across the Department: approx. \$4 million goes to Family Services Division, \$9 million to Child Development Division, \$19 million to Earned Income Tax Credit in Tax Department
- The Reach Up budget is approximately 2/3 General Fund.





Overview of Reach Up Eligibility Computation and Maximum Income

The screen shot (on the top of page 3) shows the eligibility computation which serves as both the eligibility income limits **and** the maximum grant amount for the family.

- Because these two things are tied together, the maximum grant amount affects the eligibility income limit.
- Therefore, as the ratable reduction is reduced or eliminated, the maximum grant increases, and more families are eligible for the program because the income limits also increase.
- The current ratable reduction – 49.6% - was established in rule decades ago, because the budget allocation for Reach Up benefits allowed the Department to pay approximately 49.6% of the total needs.



04/05/23 10:06		RUFA Results - Budget		ASP1VA0	
PERIOD:	12 22	VER:	2 OF 2	PERIOD:	12 22 VER: 1
PROC:	11 17 22	14:57		PROC:	11 01 22 22:26
NET SELF EMPLOY INCOME:		\$			\$
GROSS EARNED INCOME:		+\$			+\$
WORK EXPENSES:		-\$			-\$
EARNED INCOME DISREGARD:		-\$			-\$
DAY CARE EXPENSES:		-\$			-\$
UNEARNED INCOME:		+\$		SSI:	+\$
RUFA Income:		=\$			=\$
BASIC NEED STANDARD:		\$	1032.00	FOR: 2	\$ 1032.00 FOR: 2
SHELTER EXPENSES:		+\$	450.00		+\$ 450.00
TOTAL NEEDS:		=\$	1482.00		=\$ 1482.00
PAYMENT STANDARD: 49.6%		\$	735.07		\$ 735.07
REACH UP Sanction Amt:		-\$			-\$
RUFA Grant:		=\$	735.00		=\$ 735.00
RECOUPMENT:		-\$			-\$
RUFA Grant Less Recoup:		=\$	735.00		=\$ 735.00
Parent Share Offset Amt:		-\$			-\$
RUFA Reduced Grant Amt:		=\$	735.00		=\$ 735.00
INCOME TEST: GROSS:		PASSED		NET:	PASSED
				GROSS:	PASSED
				NET:	PASSED

1. **Basic Need Standard** = Current Needs (Basic Needs 2019) + Housing Supplement (\$942 for 2 + \$90 Housing Supplement = \$1032)
2. **Total Needs** = Basic Needs Standard + Shelter Expenses (Housing Allowance - \$450 Chittenden, \$400 Other) (\$1032 + \$450 = \$1482)
3. **Payment Standard** = Total Needs * .496 (ratable) (\$1482 * .496 = \$735.07)
4. **RUFA Grant** = Payment Standard (cents dropped)
5. **RUFA Eligibility** = RUFA Grant Amount less any recoupment or countable income.



Maximum Grants (in blue and orange) Outside and Inside Chittenden County

Household Size	1	2	3	4	5	6	7	8	9+
Basic Needs	644	942	1236	1478	1733	1907	2203	2458	+236/pp
	Maximum Grant								
	(Basic Needs + Max Housing + Special Needs Housing Allowance*) X Ratable Reduction (49.6%)								
Outside Chittenden Housing Allowance Max = \$400	562	710	856	976	1102	1188	1335	1462	9+ +236/pp
Inside Chittenden Housing Allowance Max = \$450	587	735	880	1000	1127	1213	1360	1487	9+ +236/pp
	* Special Needs Housing Allowance up to \$90 allowed.								

Considerations

The Reach Up program is layered with other benefit programs to serve Vermont households. This reduces duplication of services and programs and prioritizes federal funding. Changing the Reach Up benefit will have an impact on household benefits as well as DCF federal funding.

- As family grants increase by using General Fund, Supplemental Nutrition Assistance Program (SNAP) benefits decrease for the families, and less federal SNAP funding can be drawn down
- Economic Services Division (ESD) has run analysis on cost increase to decrease or eliminate the ratable reduction; this analysis is with current caseload only
- Removing the ratable reduction has funding and policy implications that require time to thoughtfully consider.

Timing of the Report as Outlined in H.94

While the Economic Services Division appreciates the opportunity to provide information on the impacts of changing the ratable reduction and the potential implications that might have, the Reach Up team has several other projects that are using staff resources including:

- Implementation of Act 133 – Preparing for large coaching training, re-writing rules and putting those through rule making process, revising forms, procedures and public materials, communicating with staff and community partners, Reach Up Advisory group, surveys



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- Governor's SYF24 Budget proposal for the Reach Ahead Pilot
- IEE – Integrated Eligibility project
- Coordinated Care Housing Resource Team – members of the Reach Up administrative team have been providing staff coverage for district staff that were redeployed for this project and will not be returning until July 2023.
- Winding down the Reach Up Emergency Rental Assistance program and implementing the Reach Up Vermont Rental Subsidy program which equates to staff spending considerable time on housing support.

We respectfully request the due date of the report be moved to March 31st, 2024, so that the team can focus on their current responsibilities.

