
**Report to
The Vermont Legislature**

Evaluation of Reach First and Reach Up

**In Accordance with H. 523
Act 30. Sec.17 -33 V.S.A. 1134(a)**

**Submitted to: Governor
General Assembly**

**Submitted by: Stephen R. Dale
Commissioner
Department for Children and Families**

**Prepared by: Joseph Patrissi
Deputy Commissioner
Economic Services Division
Paul Dragon, Welfare to Work Director**

Report Date: January 1, 2010



Table of Contents

	Page
Highlights of 2009	3
Section 1—Barriers	4
Section 2—Participant Outcomes	7
Section 3—Food Stamp Program Participation for Those Leaving Reach Up	10
Section 4—Health Care Program Enrollment for Those Leaving Reach Up	11
Section 5—Work Participation Rates and the Caseload Reduction Credit	12
Section 6—Basic Needs, Housing Allowances, and Maximum Grants	13
Section 7—Reach First	14



This report is submitted pursuant to 33 V.S.A § 1134 (a), which requires that, by January 31 of each year, the department report to the governor and the general assembly on the department's progress during the past year in implementing the Reach Up program and achieving the goals in 33 V.S.A. § 1102. The following sections in this report correspond to the numerical paragraphs under subsection 1134 (a). Most data in this report, unless stated otherwise, are for the period October 1, 2008, through September 30, 2009 (federal fiscal year 2009). Data reported in Sections 4 and 5 (Reach Up leavers' participation in food stamps and Medicaid) are for the 2009 state fiscal year.

Pursuant to 33 V.S.A § 1134 (c), the Commissioner of the Department for Children and Families reports to the House Committee on Human Services, the Senate Committee on Health and Welfare, and House and Senate Committees on Appropriations on the cumulative months of Reach Up families' receipt of TANF-funded financial assistance. The report, titled Annual Report on Families Receipt of Reach Up Assistance in Excess of 60 months, is available upon request. In summary, the projections in that report are based on the available data. According to that data and the projections, the number of families that will qualify for the hardship exemption from the 60-month limit on receipt of TANF-funded assistance will not exceed the allowable 20 percent of the caseload for the time periods covered in the report.

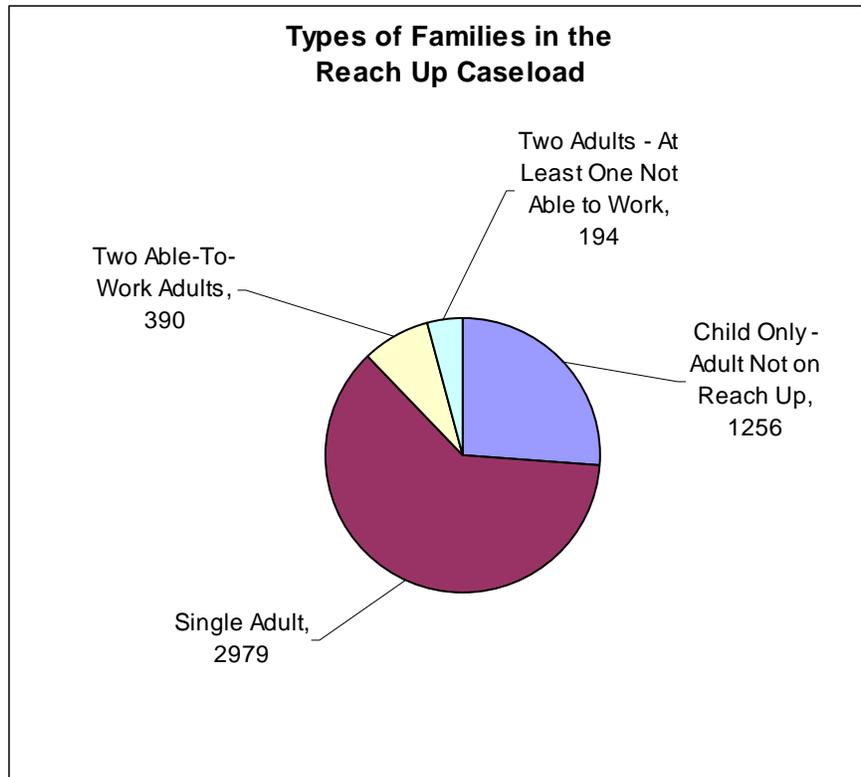
Highlights of 2009

- Effective April 1, 2009, the Economic Services Division (ESD) adopted rules establishing the Reach Ahead Program as required by Act 30, An Act Relating to Moving Families out of Poverty, enacted by the Vermont General Assembly in May 2007. The purpose of Reach Ahead is to assist working families leaving Reach Up or the Postsecondary Education programs in their transition from public assistance and to help them maintain employment by providing work supports and incentives. ESD began enrolling participants into Reach Ahead in July. An average of 30 families per month participated in Reach Ahead during the last three months of federal fiscal year 2009.
- The Reach Up Program's St. Johnsbury and Newport district offices were chosen to participate in the U.S. Department of Health and Human Services Administration for Children and Families, Office of Family Assistance's Temporary Assistance for Needy Families Rural Community Initiatives. As one of 16 sites selected, Vermont received technical assistance and training to develop and implement changes in our service delivery system to better facilitate the movement of families from welfare to work. Vermont's team was assigned a staff liaison who coordinated requests for research and technical support and helped the team access peer exchanges, on-site training, and national meetings and trainings.
- The Reach Up Program began strengthening its capacity to provide job development and job coaching services to program participants and expects to have both job developers and job coaches working in every district during SFY '10. Job developers develop or facilitate work-related activities that will lead Reach First and Reach Up participants to successful unsubsidized employment. Job coaches facilitate family self sufficiency and well being by supporting participants in their efforts to succeed on the job.
- On December 15, 2009, the Office of Family Assistance (OFA), the federal entity that oversees states' Temporary Assistance for Needy Families (TANF) program sent Commissioner Steve Dale the good news that Vermont had met its 2007 TANF work participation rates. The work participation rates are the federal measure used to rate states' compliance with federal TANF requirements. States that fail to meet the rates may be subject to sizeable fiscal penalties.
- Program staff are using evidence-based screening tools to determine if further assessment for mental health and substance use conditions is warranted. An on-line substance use and mental health training curriculum was completed by all field staff followed by training on the mental health and substance use screening tools being implemented by the Program.
- Program staff have adopted and been trained on a process improvement model that is customer-centered, quality-driven and outcome-focused with the aim of transforming the service delivery system for Reach Up participants at the local level. Each district team has engaged in projects that focus on systems and process using existing resources and sharing a goal of increasing the rates of family self-sufficiency.

Section 1

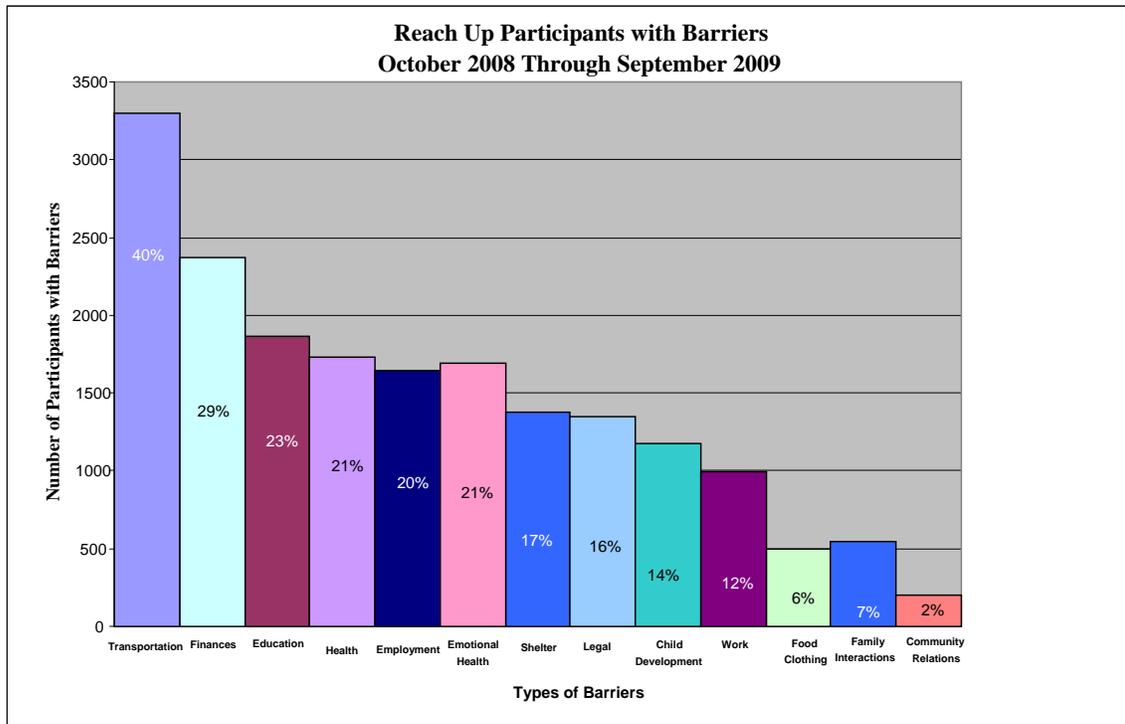
Types of Barriers Facing Reach Up Families Seeking Economic Self-Sufficiency, Number of Families with Each Type of Barrier, and Frequency of Occurrence of Each Type of Barrier

Charts in this section illustrate the types of families and number of adults participating in the Reach Up program, the number of participants with barriers, ages of children in Reach Up families, and the number of participants with deferments from the work requirement. The figures are the average monthly numbers for the period October 2008 through September 2009.



Average Number of Adults Participating in Reach Up Program

Family Type	Average Number of Adults Participating in Reach Up Each Month (does not include Postsecondary Edu. Program and Reach First participants)
Child only (child's parent/caretaker is not on Reach Up)	0
Single adult	2,865
Two able-to-work adults	780
Two adults, at least one is not able to work	388
Total Adults	4,033

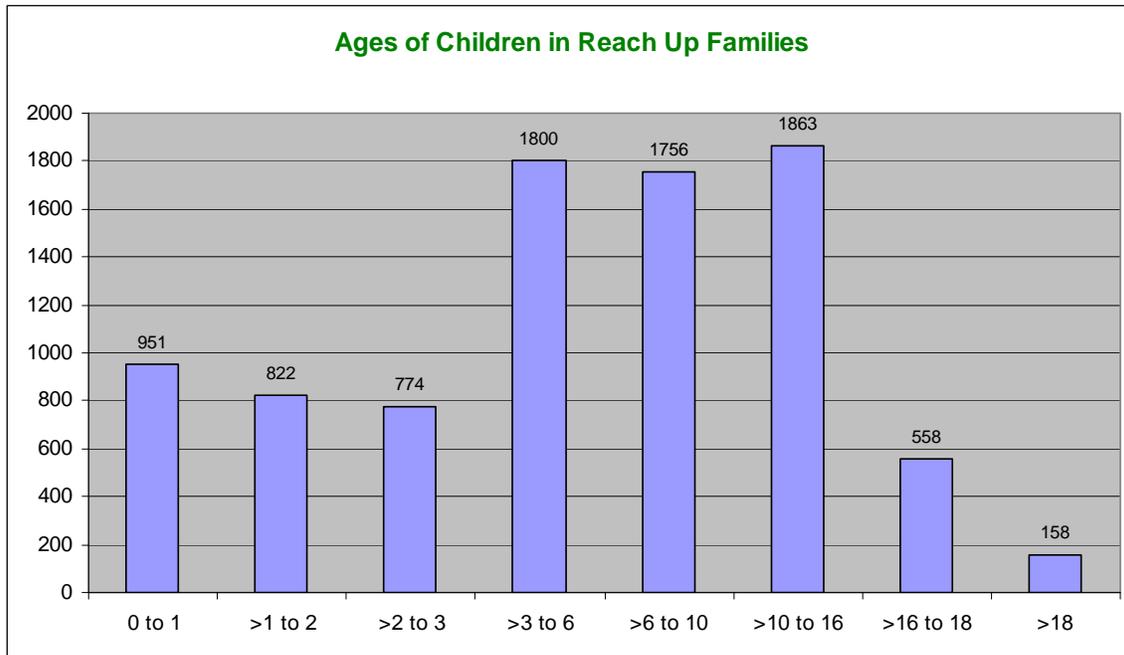


The above chart illustrates the percentage of Reach Up participants assessed as having the specified barriers. During the period October 2008 through September 2009, case managers assessed 8,233 participants and found 18,730 barriers, an average of 2.3 barriers per participant.

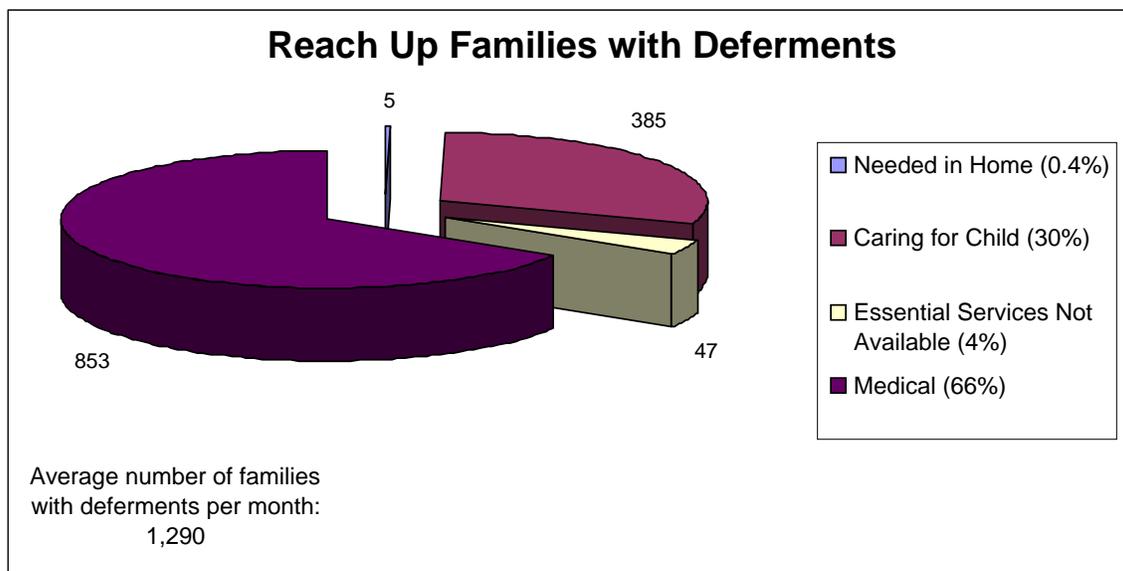
ESD works with community partners and other state agencies to help participants address employment barriers and take advantage of training opportunities.

To address transportation barriers ESD, with the help of community resources and organizations, works with participants to get them the transportation they need. Case managers help participants to obtain licenses, registration, insurance, and vehicle repairs. Reach Up supports community-based organizations that provide participants with on-demand transportation services, reliable vehicles, and help toward gaining or repairing credit so they are able to purchase vehicles. Case managers encourage and assist participants to explore alternative transportation options such as public transportation, car pooling, ride sharing, and relocation.

The program staff designed and implemented a brokered automotive purchase and loan pilot program in collaboration with Central Vermont Community Action Council (CVCAC). Features of the program include the development and implementation of an outreach plan to identify and build collaborative relationships with auto dealers statewide; development of a network of regulated and unregulated lenders willing and able to provide financing to low income adults; and a structure to use both of these networks to broker the purchase and financing of vehicles for eligible participants. In addition the pilot program provides support to borrowers to insure the loans remain current and the vehicles are well maintained.



The above chart illustrates the ages of a monthly average of 8,682 children who received assistance from October 2008 through September 2009. Around 29 percent are under age three, 21 percent are between the age of three and six and 50 percent are over six. The deferment chart below illustrates that an average of 385 participants per month received a deferment from the work requirement to care for a child under the age of two.



A deferment is a temporary postponement of the full work requirement. A deferred participant must have a family development plan with an employment goal and participate in activities, including work activities that lead to the achievement of the employment goal. Consistent with the department's strength-based approach to case management, case managers modify the number of work requirement hours, rather than defer the work requirement, for participants who are able to work part time. Figures in the chart above represent the deferment status of the adult with a work requirement.

Section 2

Participant Outcomes, Including:

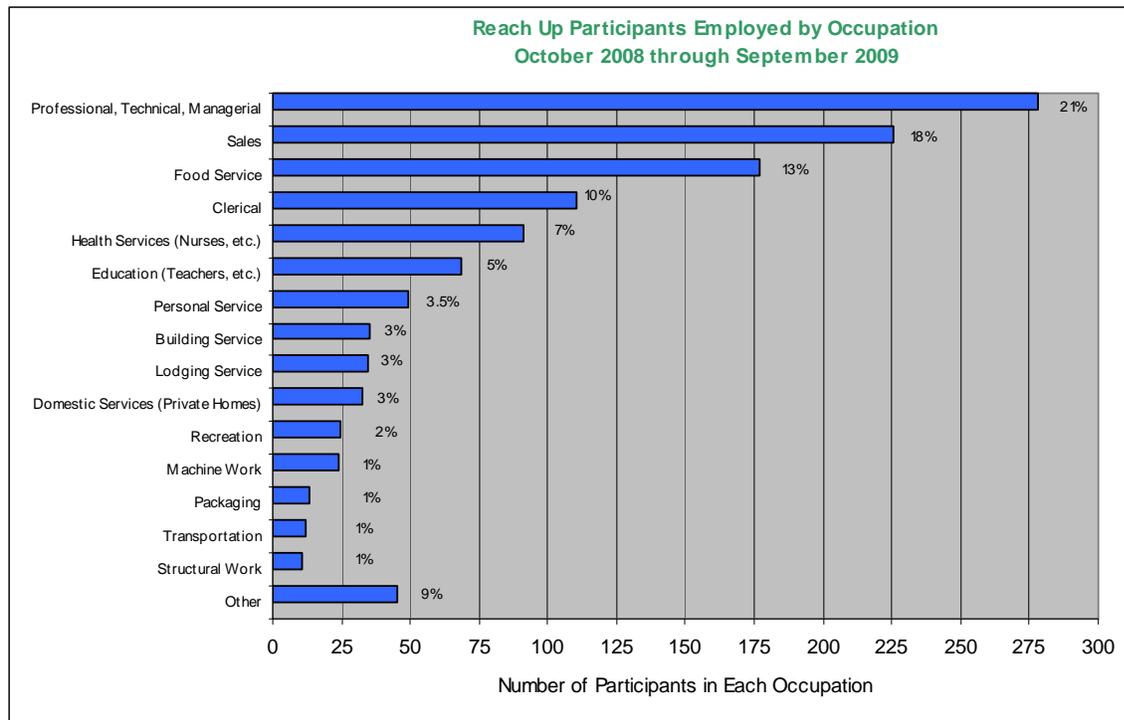
**Number of persons employed, by occupation, industry and wage;
Types of subsidized and unsubsidized jobs secured by participants;
Outcomes for children; and
Number of participating families involved in training programs.**

Charts in this section illustrate monthly averages of Reach Up participants' work by occupations, industries, and wages based on data from October 2008 through September 2009. It does not include the Postsecondary Education program. One chart illustrates the number of families that moved off assistance and achieved better outcomes for their children under the Reach Up program. Information supporting good outcomes for children is also represented in Section 1 by the low number of barriers related to child well-being and the high number of parents requesting deferments to take care of children.

Some working participants do not earn enough to be ineligible for Reach Up, and some of these participants may be combining education with work to guarantee a better job when they leave Reach Up.

Families Combine Welfare with Work

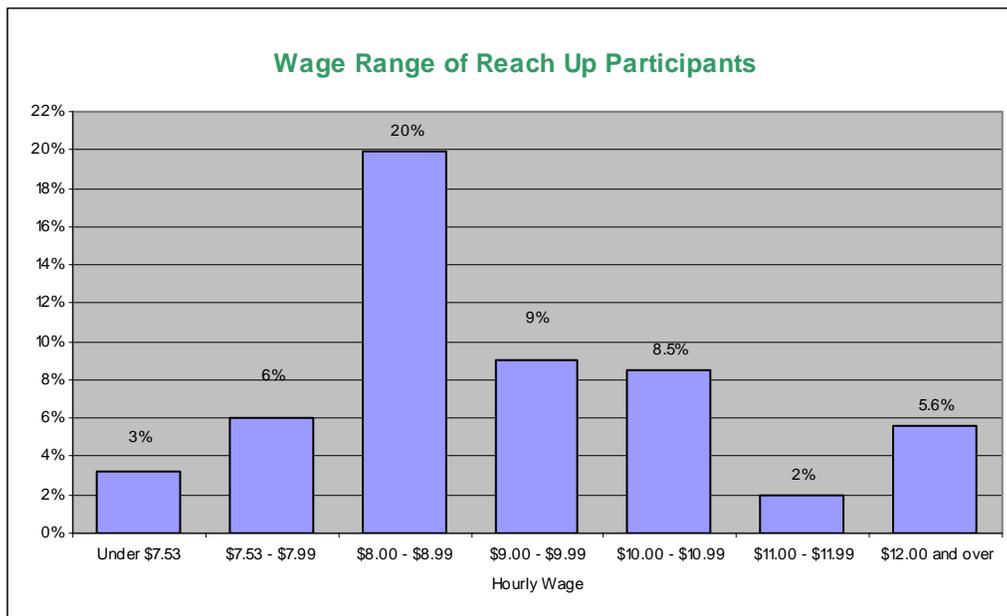
The chart below illustrates occupations of an average of 1,513 participants who combined welfare with work each month.



**Reach Up Participants Employed By Industry
October 2008 through September 2009**

Industry	Percentage in Each Industry	Average Number of Participants
Construction	1%	17
Transportation & Public Utilities	8%	116
Services	53%	807
Manufacturing	1%	20
Wholesale Trade	1%	12
Finance/Insurance/Real Estate	1%	12
Agric/Forestry/Fishing/Mining	1%	16
Retail Trade	12%	178
Government	3%	46
Other *	19%	289
Total Participants Employed		1,513

**The “Other” category in the charts above and on the previous page includes participants whose jobs do not fit into a specified category, those who are in supported work placements and not earning a wage, and those in occupations not otherwise listed that employ less than 1 percent of the participants.*



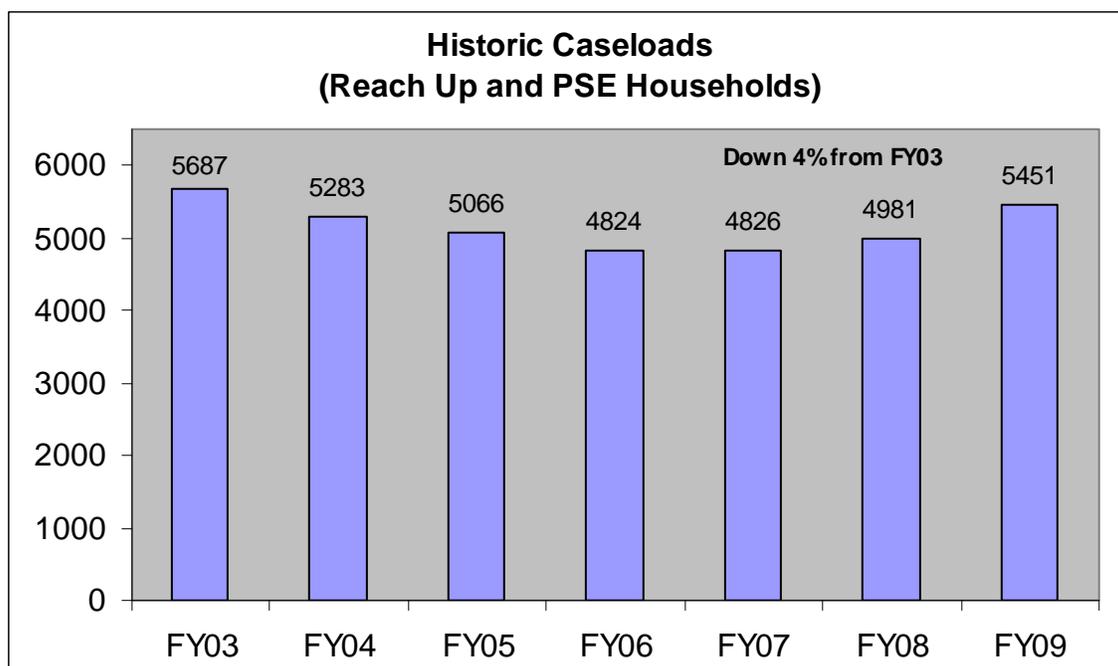
The above chart illustrates the percentage of employed Reach Up participants in each wage range. It does not include newly employed and self-employed adults whose earnings have yet to be verified and adults in supported work placements who are not earning wages. Participants starting self employment may have net income equivalent to less than \$8.06 per hour, Vermont’s minimum wage in 2009.

Adults Participate in Training and Education Programs

Participants who are not job ready are supported in short-term work, training, and education placements. Participants who need work experience may be placed in supported placements where they do not earn wages; these participants are included in the “unknown” categories in the occupation, industry, and wage tables above. An average of 110 participants engaged in vocational education, job skills training, and school attendance each month from October 2008 through September 2009.* Participants have been placed in training sites with municipalities, schools, community action agencies, senior meals sites, local housing authorities, parent-child centers, University of Vermont, YMCA, and the Salvation Army. Duties included office work, maintenance, cleaning, and other services.

Families Move from Welfare to Work

When Vermont began the Reach Up program and came into full compliance with TANF on July 1, 2001, there were 5,500 families on assistance. An indicator of Reach Up’s success in moving families toward self-sufficiency and achieving better outcomes for their children is the number of families who have left the program as a result of increased income. The following chart illustrates families’ success in moving to financial independence. Data represented in the chart is the average monthly number of families for each state fiscal year. The increase in the caseload occurring in state fiscal year 2007 and continuing in state fiscal years 2008 and 2009 reflects the current national economic recession. This trend of increasing caseloads in welfare programs is affecting many states.



**Data for training and education programs were derived from TANF reports and do not include participants in solely state-funded programs.*

Section 3
Food Stamp Participation of Households
Who Have Left Reach Up During the Last Fiscal Year

The chart illustrates food stamp participation for individuals who left Reach Up in state fiscal year 2009. An average of 3,511 individuals left Reach Up each quarter and an average of 2,809 (80 percent) of them were still off Reach Up four months later. 93 percent of these families received food stamps when they left Reach Up and four months later, 69 percent still received food stamps.

Reach Up Leavers' Participation in Food Stamps
State Fiscal Year 2009

	Quarter Ending Sep '08	Quarter Ending Dec '08	Quarter Ending Mar '09	Quarter Ending Jun '09
1. Total number of individuals who left Reach Up	3,776	3,580	3,230	3,456
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2,946 (78%)	2,814 (79%)	2,638 (82%)	2,837 (82%)
3. Those in #2 who were enrolled in food stamps at the time of leaving RU	2,677 (91%)	2,599 (92%)	2,507 (95%)	2,604 (92%)
4. Those in #3 who were also enrolled in food stamps in the 4th month after leaving RU	1,726 (64%)	1,799 (69%)	1,834 (73%)	1,817 (70%)

Section 4
Health Care Program Enrollment of Individuals
Who Have Left Reach Up During the Last Fiscal Year

Our state is a leader in providing health care assistance to children and families. While a family of three loses eligibility for Reach Up when their income reaches approximately \$13,200 a year, the adults will be eligible for transitional Medicaid until their annual income reaches \$34,032 and their children remain eligible for Dr. Dynasaur until the family's income tops \$55,176 (or higher, if the family pays for child care).

Reach Up Leavers' Participation in Medicaid and Dr. Dynasaur
State Fiscal Year 2009

	Quarter Ending Sep '08	Quarter Ending Dec '08	Quarter Ending Mar '09	Quarter Ending Jun '09
1. Total number of individuals who left Reach Up	3,776	3,580	3,280	3,456
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2,946 (78%)	2,814 (79%)	2,638 (82%)	2,837 (82%)
3. Those in #2 who were enrolled in medical assistance at the time of leaving RU	2,794 (95%)	2,614 (93%)	2,475 (94%)	2,675 (94%)
4. Those in #3 who were also enrolled in medical assistance in the 4th month after leaving RU	2,196 (79%)	2,125 (81%)	2,030 (82%)	2,178 (81%)

Section 5
Work Participation Rates and the Caseload Reduction Credit

States submit data on all TANF recipients quarterly to the U.S. Department of Health and Human Services Administration for Children and Families (ACF). ACF computes each state's monthly work participation rates for two categories—all families and families with two parents who are both able to work—and averages the rates for all 12 months to calculate a state's overall work participation rate for the federal fiscal year. States are required to meet a 50 percent all-family rate and a 90 percent two-parent family rate.

Section 407(b)(3) of the Social Security Act, as amended by the Deficit Reduction Act of 2005 (DRA), provides for an adjustment to a state's work participation rate for a fiscal year based on declines in the state's caseload the prior federal fiscal year. This adjustment to the work participation rate the state must meet is called the state's caseload reduction credit (CRC). The CRC gives a state credit based on the actual reduction in the caseload between the statutory base year and the comparison year. The DRA changed the base year of the calculation from 1995 to 2005.

The chart below illustrates Vermont's estimated participation rates as calculated but not yet finalized by ACF.

TANF Work Participation Rates Federal Fiscal Year 09
Calculated by ACF

	All Families	2-Parent Families
1 st quarter	32.3	25.3
2 nd quarter	26.6	16.8
3 rd quarter	29.1	24.4
4 th quarter	29.1	29.2
Average	29.3	23.9

Caseload Reduction Credit (CRC)

	All Families	2-Parent Families
Rate submitted to ACF ¹	20.8	13.1

Applying the Administration for Children & Families CRC method to the participation rates results in a 50.1 percent all families rate and a 37 percent two-parent families rate.

¹ The caseload reduction rates are the rates submitted to ACF in December 2008 using ACF's methodology. Vermont is waiting for confirmation of the caseload reduction rates.

Section 6
Basic Needs, Housing Allowances, and Maximum Grants

Basic Needs and Housing Allowances

The department calculates a basic needs standard that includes certain requirements considered basic to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special needs. This standard of combined basic needs increases according to household size, from \$475 for a household of one to \$1,769 for a household of eight. Each year the DCF reports the current basic needs standards and the basic needs budget adjusted to reflect an annual cost-of-living increase. The annual cost-of-living increase calculation is made by running the basic needs standards and housing allowances through a computer program that recalculates them based on changes in the consumer price index (CPI) and housing costs reported by families participating in the Reach Up program living inside and outside Chittenden County. The revised needs standards and housing allowances are run through a simulation of the Reach Up population to estimate the fiscal impact of making cost of living adjustments. The simulation is run against the amount budgeted for Reach Up to determine the percentage of total needs the department can pay with existing funds. Consistent with 33 V.S.A. §101(4), the department currently pays 49.6 percent of total needs determined in 2004.

The charts below illustrate the current basic needs for families of one to four members, basic needs if adjusted in December 2009 for the cost-of-living increase, current housing costs, and housing costs if adjusted.

Basic Needs and Housing Allowance

Family Size	Existing Basic Needs (based on calculation in 3/1/04)	Basic needs if adjusted to annual cost-of-living increase (12/1/09)
1	\$475	\$536
2	\$680	\$768
3	\$891	\$1,008
4	\$1,064	\$1,206
5	\$1,247	\$1,413
6	\$1,372	\$1,554
7	\$1,589	\$1,797
8	\$1,769	\$2,004
Each additional person	\$170	\$193

Housing Allowances	Existing Housing Allowance (based on 10/1/01)	Housing allowance if adjusted to annual median cost (12/1/09)
Chittenden County	\$450	\$625
Outside Chittenden County	\$400	\$567

Current Maximum Grants

The chart below illustrates maximum grants for families of one to four members. Grants in Chittenden County are higher due to the history of higher shelter costs and the higher housing allowance for that area. All families with out-of-pocket shelter costs in excess of the maximum allowances may receive up to \$45 more in their grant as a special needs housing allowance.

Family Size	Outside Chittenden County	Chittenden County
1	\$434	\$458
2	\$535	\$560
3	\$640	\$665
4	\$726	\$750

Section 7 Reach First

ESD implemented Reach First in July 2008. Since then slightly more than 1,600 families have been found eligible for Reach First. Of those participating in the program, 863 or 53 percent of participating families transitioned directly into Reach Up. Of the remaining 766 families (47 percent of participants) left Reach First without immediately transitioning to Reach Up. Some of the families who did not transition to Reach Up immediately did subsequently apply and were granted Reach Up.

Families who immediately transition to Reach Up from Reach First do not have to file a new application. ESD's comprehensive computer system determines Reach Up eligibility by processing existing eligibility-related data previously entered for Reach First, prompts the worker to enter additional data (such as coding required for child support assignment), and produces the appropriate Reach First closure and Reach Up grant notices with no break in benefits for the family.

According to reports from the districts, families are coming into Reach First because they are experiencing financial crises caused by events such as temporary or permanent loss of a job, car problems, overdue bills, separation or divorce, illness or injury. A small number of participants who have been accepted into and are waiting to begin the Postsecondary Education Program within four months have also been accepted into Reach First.

Reach First families receive either minimal or comprehensive case management services, depending on need and screening results. Parents with short-term financial issues resolved by Reach First payments or who have a call-back to an existing job or a pending unemployment insurance (UI) claim usually receive minimal services, checking in monthly to report on their recall status or start of UI benefits. Parents looking for work take part in evaluations, assessment, career counseling, resume-writing and other job search skills training.

ESD has not collected data on how many non-mandatory Reach First applicants choose Reach Up over Reach First. Districts staff have reported anecdotally that applicants who have a choice between Reach First and Reach Up tend to choose Reach First to receive a full first month of benefits rather than benefits prorated from the date of benefit approval.

ESD plans to produce a study similar to the one completed in 2006 on families leaving Reach Up in 2003. The new study will include participants leaving Reach First, as well as, Reach Up and the Postsecondary Education Program. This report may provide more information about Reach First families' use of other support programs after leaving Reach First and Reach Up recidivism.

ESD gained an average of 8.1 Work Participation Rate percentage points per month by families entering Reach First, instead of Reach Up. The percentage boost is directly related to and dependent upon the number of families who are in our TANF-funded case load.