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H.326

Introduced by Representatives Keefe of Manchester, Brumsted of
Shelburne, Canfield of Fair Haven, Colburn of Burlington,
CopelandHanzas of Bradford, Fagan of Rutland City, Gamache
of Swanton, Hooper of Brookfield, McFaun of Barre Town,
Nolan of Morristown, Noyes of Wolcott, Olsen of Londonderry,
Pugh of South Burlington, Rosenquist of Georgia,
Scheuermann of Stowe, Smith of Derby, Sullivan of Dorset,
Troiano of Stannard, Willhoit of St. Johnsbury, Wood of
Waterbury, and Wright of Burlington

Referred to Committee on

Date:

Subject: Human services; TANF; eligibility; income disregard; grant
calculation

Statement of purpose of bill as introduced: This bill proposes to disregard
personal retirement accounts and education accounts in determining eligibility
and grant or subsidy amount for Reach Up, Reach Ahead, and the Child Care
Services Program.

An act relating to ~~eligibility and calculation of grant or subsidy amount for
Reach Up, Reach Ahead, and the Child Care Services Program~~ *encouraging
savings by participants in Reach Up and the Child Care Financial*

Assistance Program

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~*** Reach Up ***~~

3 Sec. 1. 33 V.S.A. § 1103 is amended to read:

4 § 1103. ELIGIBILITY AND BENEFIT LEVELS

5 * * *

6 (c) The Commissioner shall adopt rules for the determination of eligibility
7 for the Reach Up program and benefit levels for all participating families that
8 include the following provisions:

9 (1) ~~No~~ Not less than the first \$250.00 per month of earnings from an
10 unsubsidized job and 25 percent of the remaining unsubsidized earnings shall
11 be disregarded in determining the amount of the family's financial assistance
12 grant. The family shall receive the difference between countable income and
13 the Reach Up payment standard in a partial financial assistance grant.

14 (2) ~~No~~ Not less than the first \$90.00 per month of earnings from a
15 subsidized job shall be disregarded in determining the amount of the family's
16 financial assistance grant. The family shall receive the difference between
17 countable income and the Reach Up payment standard in a partial financial
18 assistance grant. Earnings from subsidized jobs shall qualify for federal and
19 State earned income credit if the family is otherwise eligible for such credit.

20 (3) Each family development plan shall provide for an incentive
21 payment to be paid to the participating family for completing a required

1 ~~activity or task~~

2 (4) Education stipends, employment stipends, job training stipends, and
3 incentive payments, as determined by the Commissioner, shall be excluded in
4 calculating the financial assistance grant.

5 (5) The value of assets accumulated from the earnings of adults and
6 children in participating families and from any federal or Vermont earned
7 income tax credit shall be excluded for purposes of determining continuing
8 eligibility for the Reach Up program. The asset limitation shall be \$2,000.00
9 for participating families for the purposes of determining continuing eligibility
10 for the Reach Up program.

11 (6) Transitional medical assistance of up to 36 months shall be provided
12 to families with a working adult who becomes ineligible for financial
13 assistance due to increased earnings, unless family income exceeds 185 percent
14 of the federal poverty level, and provided that federal financial participation is
15 available for such transitional medical assistance.

16 (7) The equity value of one operable motor vehicle in a family with a
17 single parent or caretaker and of two operable motor vehicles in a two-parent
18 family shall be excluded for purposes of determining eligibility for the Reach
19 Up program. The Commissioner shall take all steps necessary to retain current
20 resource protections under the Food Stamps program Supplemental Nutrition
21 Assistance Program (SNAP) so that the rules under the Food Stamps program

1 ~~SNAP and the Reach Up program are compatible.~~

2 (8) An individual domiciled in Vermont shall be exempt from the
3 disqualification provided for in 21 U.S.C. § 862a.

4 (9) The amount of \$115.00 of the Supplemental Security Income
5 payment received by a parent, excluding payments received on behalf of a
6 child, shall count toward the determination of the amount of the family's
7 financial assistance grant.

8 (10) Any personal retirement account or education savings account held
9 by or on behalf of a member of a participating family shall be disregarded in
10 determining:

11 (A) the family's eligibility for the Reach Up program; and

12 (B) the amount of the family's financial assistance grant.

13 * * *

14 * * * Reach Ahead * * *

15 Sec. 2. 33 V.S.A. § 1203 is amended to read:

16 § 1203. ELIGIBILITY

17 (a) A family shall be eligible for Reach Ahead if the family resides in
18 Vermont and:

19 (1) has left Reach Up or the postsecondary education program within
20 the prior six months for employment that meets the work requirements for the
21 Reach Up program for the family's size and composition;

22 ~~(2) is receiving Supplemental Nutrition Assistance Program benefits and~~

1 ~~has employment that meets the work requirements for Reach Up for the~~

2 ~~family's size and composition; or~~

3 ~~(c) is an individual under 21 years of age, has a child, is ineligible for~~
4 ~~Supplemental Nutrition Assistance Program benefits solely because the~~
5 ~~individual resides with the individual's parent, and has employment that meets~~
6 ~~the work requirements for Reach Up for the family's size and composition.~~

7 ~~(b) Any personal retirement account or education savings account held by~~
8 ~~or on behalf of a member of a participating family shall be disregarded in~~
9 ~~determining:~~

10 ~~(1) the family's eligibility for the Reach Ahead program; and~~

11 ~~(2) the amount of the family's financial assistance grant.~~

12 ~~*** Child Care Services Program ***~~

13 Sec. 3. 33 V.S.A. § 3512 is amended to read:

14 § 3512. CHILD CARE SERVICES PROGRAMS, ELIGIBILITY

15 (a)(1) A Child Care Services Program is established to subsidize, to the
16 extent that funds permit, the costs of child care for families that need child
17 care services in order to obtain employment, to retain employment, or to
18 obtain training leading to employment. Families seeking employment shall
19 not be entitled to participate in the Program for a period in excess of one
20 month, unless that period is extended by the Commissioner.

21 (2) The subsidy authorized by this subsection shall be on a sliding scale
22 ~~basis. The scale shall be established by the Commissioner, by rule, and shall~~

1 ~~have a reasonable relationship to income and family size. The lower limit of~~
2 the fee scale shall include families whose gross income is up to and including
3 100 percent of the federal poverty guidelines. The upper income limit of the
4 fee scale shall be neither less than 200 percent of the federal poverty
5 guidelines nor more than 100 percent of the State median income, adjusted for
6 the size of the family. The scale shall be structured so that it encourages
7 employment. Any personal retirement account or education savings account
8 held by or on behalf of a member of a family shall be disregarded in
9 determining the amount of and a family's eligibility for a subsidy authorized
10 by this subsection.

11 * * *

12 Sec. 4. EFFECTIVE DATE

13 ~~This act shall take effect on July 1, 2017.~~

** * * Findings * * **

Sec. 1. FINDINGS

The General Assembly finds that:

(1) benefit cliffs, which occur when a family's loss of economic benefits outpaces the rate at which its earnings increase, have a detrimental impact on Vermont families;

(2) according to the 2016 article "Do Limits on Family Assets Affect Participation in, Costs of TANF?" by the Pew Charitable Trusts, raising or

eliminating asset limits within the Temporary Assistance for Needy Families program (TANF) does not affect the number of monthly applicants to the program;

(3) according to the 2016 article “Low TANF Asset Limits Show No Cost or Caseload Benefits for State Programs” by the Pew Charitable Trusts, states experience a decrease in administrative costs when they raise or eliminate TANF asset tests;

(4) according to a 2014 article entitled “Relationships Between College Savings and Enrollment, Graduation, and Student Loan Debt,” by the Center for Social Development, children in families that have few or no assets have lower academic achievement scores, high school graduation rates, college enrollment rates, and college graduation rates than children in families with assets; and

(5) school-designated savings are more effective than basic savings in influencing college outcomes.

** * * Reach Up * * **

Sec. 2. 33 V.S.A. § 1103 is amended to read:

§ 1103. ELIGIBILITY AND BENEFIT LEVELS

** * **

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that

include the following provisions:

** * **

(5)(A) The value of assets accumulated from the earnings of adults and children in participating families and from any federal or Vermont earned income tax credit shall be excluded for purposes of determining continuing eligibility for the Reach Up program. The asset limitation shall be \$2,000.00 \$9,000.00 for participating families for the purposes of determining initial and continuing eligibility for the Reach Up program, and the following savings accounts shall not be considered in the calculation for determining the asset limitation:

(i) a retirement account, such as an individual retirement arrangement (IRA), a defined contribution plan qualified under 26 U.S.C. § 401(k), or any similar account as defined in 26 U.S.C. § 408; and

(ii) a qualified child education savings account, such as the Vermont Higher Education Investment Plan, established in 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529.

(B) The value of assets accumulated from the earnings of adults and children in participating families and from any federal or Vermont earned income tax credit shall be excluded for purposes of determining continuing eligibility for the Reach Up program.

** * **

** * * Child Care Financial Assistance Program * * **

Sec. 3. 33 V.S.A. § 3512 is amended to read:

*§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY*

(a)(1) A The Child Care Services Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall not be entitled to participate in the Program for a period in excess of one month, unless that period is extended by the Commissioner.

(2) The subsidy authorized by this subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the federal poverty guidelines nor more than 100 percent of the State median income, adjusted for the size of the family. The scale shall be structured so that it encourages employment.

(3) Earnings deposited in a qualified child education savings account, such as the Vermont Higher Education Investment Plan, established in 16

V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529, shall be disregarded in determining the amount of a family's income for the purpose of determining continuing eligibility.

* * *

* * * *Effective Date* * * *

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2017.