

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill No.
3 326 entitled “An act relating to eligibility and calculation of grant or subsidy
4 amount for Reach Up, Reach Ahead, and the Child Care Services Program”
5 respectfully reports that it has considered the same and recommends that the
6 bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 Sec. 1. FINDINGS

9 The General Assembly finds that:

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

13 (2) according to the 2016 article “Do Limits on Family Assets Affect
14 Participation in, Costs of TANF?” by the Pew Charitable Trusts, raising or
15 eliminating asset limits within the Temporary Assistance for Needy Families
16 program (TANF) does not affect the number of monthly applicants to the
17 program; and

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

* * * 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:

(1) ~~Not~~ Not less than the first \$250.00 per month of earnings from an unsubsidized job and 25 percent of the remaining unsubsidized earnings shall be disregarded in determining the amount of the family's financial assistance grant. The family shall receive the difference between countable income and the Reach Up payment standard in a partial financial assistance grant.

Unsubsidized earnings deposited in a long-term savings account shall be disregarded in determining the amount of a family's financial assistance grant.

(2) ~~Not~~ Not less than the first \$90.00 per month of earnings from a subsidized job shall be disregarded in determining the amount of the family's financial assistance grant. The family shall receive the difference between countable income and the Reach Up payment standard in a partial financial assistance grant. Earnings from subsidized jobs shall qualify for federal and State earned income credit if the family is otherwise eligible for such credit.

1 Subsidized earnings deposited in a long-term savings account shall be
2 disregarded in determining the amount of a family's financial assistance grant.

3 (3) Each family development plan shall provide for an incentive
4 payment to be paid to the participating family for completing a required
5 activity or task.

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

9 (5) The value of assets accumulated ~~from the earnings of adults and~~
10 ~~children in participating families and from any federal or Vermont earned~~
11 ~~income tax credit shall be excluded for purposes of determining continuing~~ by
12 a participating family shall be excluded in determining the participating
13 family's eligibility for the Reach Up program. The asset limitation shall be
14 ~~\$2,000.00 for participating families for the purposes of determining continuing~~
15 ~~eligibility for the Reach Up program.~~

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

1 (7) The equity value of one operable motor vehicle in a family with a
2 single parent or caretaker and of two operable motor vehicles in a two-parent
3 family shall be excluded for purposes of determining eligibility for the Reach
4 Up program. The Commissioner shall take all steps necessary to retain current
5 resource protections under the ~~Food Stamps program~~ Supplemental Nutrition
6 Assistance Program (SNAP) so that the rules under ~~the Food Stamps program~~
7 SNAP and the Reach Up program are compatible.

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

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

14 * * *

15 (i) As used in this section, "long-term savings account" means an account
16 held by or on behalf of a member of a participating family and qualifies as:
17 (1) an individual retirement account, such as an individual retirement
18 arrangement (IRA), a defined contribution plan qualified under 26 U.S.C.
19 § 401(k), or any similar account as defined in 26 U.S.C. § 408; or

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

4 * * * Reach Ahead * * *

5 Sec. 3. 33 V.S.A. § 1203 is amended to read:

6 § 1203. ELIGIBILITY

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

9 (1) has left Reach Up or the postsecondary education program within the
10 prior six months for employment that meets the work requirements for the
11 Reach Up program for the family’s size and composition;

12 (2) is receiving Supplemental Nutrition Assistance Program benefits and
13 has employment that meets the work requirements for Reach Up for the
14 family’s size and composition; or

15 (3) is an individual under 21 years of age, has a child, is ineligible for
16 Supplemental Nutrition Assistance Program benefits solely because the
17 individual resides with the individual’s parent, and has employment that meets
18 the work requirements for Reach Up for the family’s size and composition.

19 (b) Earnings deposited in a long-term savings account shall be disregarded
20 in determining the amount of a family’s financial assistance grant. As used in

1 this section, “long-term savings account” means an account held by or on
2 behalf of a member of a participating family and qualifies as:

3 (1) an individual retirement account, such as an individual retirement
4 arrangement (IRA), a defined contribution plan qualified under 26 U.S.C.
5 § 401(k), or any similar account as defined in 26 U.S.C. § 408; or

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

9 * * * Child Care Services Program * * *

10 Sec. 4. 33 V.S.A. § 3512 is amended to read:

11 § 3512. CHILD CARE SERVICES PROGRAMS; ELIGIBILITY

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

18 (2) The subsidy authorized by this subsection shall be on a sliding scale
19 basis. The scale shall be established by the Commissioner, by rule, and shall
20 bear a reasonable relationship to income and family size. The lower limit of
21 the fee scale shall include families whose gross income is up to and including

1 100 percent of the federal poverty guidelines. The upper income limit of the
2 fee scale shall be neither less than 200 percent of the federal poverty guidelines
3 nor more than 100 percent of the State median income, adjusted for the size of
4 the family. The scale shall be structured so that it encourages employment.
5 Earnings deposited in a long-term savings account shall be disregarded in
6 determining the amount of a family’s subsidy.

7 (3) As used in this subsection, “long-term savings account” means an
8 account held by or on behalf of a member of a participating family and
9 qualifies as:

10 (A) an individual retirement account, such as an individual retirement
11 arrangement (IRA), a defined contribution plan qualified under 26 U.S.C.
12 § 401(k), or any similar account as defined in 26 U.S.C. § 408;

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

16 (C) an individual development account.

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18 Sec. 5. EFFECTIVE DATE

19 This act shall take effect on July 1, 2017

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(Committee vote: _____)

Representative _____

FOR THE COMMITTEE