

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 * * * Findings * * *

9 Sec. 1. FINDINGS

10 The General Assembly finds that:

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

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

19 (3) according to the 2016 article “Low TANF Asset Limits Show No
20 Cost or Caseload Benefits for State Programs” by the Pew Charitable Trusts,

1 states experience a decrease in administrative costs when they raise or
2 eliminate TANF asset tests.

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

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

11 * * * Reach Up * * *

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

13 § 1103. ELIGIBILITY AND BENEFIT LEVELS

14 * * *

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

18 (1) ~~No~~ Not less than the first \$250.00 per month of earnings from an
19 unsubsidized job and 25 percent of the remaining unsubsidized earnings shall
20 be disregarded in determining the amount of the family’s financial assistance

1 grant. The family shall receive the difference between countable income and
2 the Reach Up payment standard in a partial financial assistance grant.

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

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

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

15 (5) The value of assets accumulated from the earnings of adults and
16 children in participating families and from any federal or Vermont earned
17 income tax credit shall be excluded for purposes of determining continuing
18 eligibility for the Reach Up program a retirement account, such an individual
19 retirement arrangement (IRA), a defined contribution plan qualified under 26
20 U.S.C. § 401(k), or any similar account as defined in 26 U.S.C. § 408 and a
21 qualified child education savings account, such as the Vermont Higher

1 Education Investment Plan, established in 16 V.S.A. § 2877, or any similar
2 plan qualified under 26 U.S.C. § 529, shall be excluded in determining a
3 families' eligibility for Reach Up. The asset limitation shall be \$2,000.00
4 \$10,000.00 for participating families for the purposes of determining
5 continuing eligibility for the Reach Up program

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

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

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

20 (9) The amount of \$115.00 of the Supplemental Security Income
21 payment received by a parent, excluding payments received on behalf of a

1 child, shall count toward the determination of the amount of the family's
2 financial assistance grant.

3 * * *

4 * * * Child Care Services Program * * *

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

6 § 3512. CHILD CARE SERVICES PROGRAMS; ELIGIBILITY

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

13 (2) The subsidy authorized by this subsection shall be on a sliding scale
14 basis. The scale shall be established by the Commissioner, by rule, and shall
15 bear a reasonable relationship to income and family size. The lower limit of
16 the fee scale shall include families whose gross income is up to and including
17 100 percent of the federal poverty guidelines. The upper income limit of the
18 fee scale shall be neither less than 200 percent of the federal poverty guidelines
19 nor more than 100 percent of the State median income, adjusted for the size of
20 the family. The scale shall be structured so that it encourages employment.

