

Memorandum

To: House/Senate Budget Conference Committee
From: Ken Schatz, DCF Commissioner
Sean Brown, ESD Deputy Commissioner
Re: Reach Up Position Reduction
Date: May 10, 2019

AHS opposes the elimination of 12 Reach Up case manager positions in the Senate version of the budget. We support the Governor's original proposal, or the House version, with the caveat that Reach Up Case Management not be kept whole with the funding for the Family Services Division.

The Governor's proposed SFY20 budget included the elimination of all Reach Up case management contracts with the parent child centers (PCCs) and refugee resettlement agencies (RSAs). The proposal saved \$1.6M-GF and reinvested \$800K of the savings in these organizations. The House budget included the elimination of the contracts for the PCCs and reinvested more of the savings for a total of \$1.234M and restored funding for the RSA contracts in the amount of \$148K. The Senate's budget is radically different, at its core is the elimination of 5 PCC Reach Up case managers for savings of \$400K and the elimination of 12 ESD Reach Up case managers, for savings of \$750K in SFY20 and \$1.2M savings in SFY21. The Senate did not request nor take any testimony from DCF on this specific proposal and we are concerned it will have significant, negative impacts on the children and families served by DCF. These concerns are detailed below:

- The initial proposal to eliminate all PCC and RSA case managers achieved both a budget savings and administrative efficiency as well. ESD Reach Up case managers and supervisors would have been able to absorb the additional workload by not having to train, supervise and support the PCC case managers on a regular basis. That efficiency is lost with the Senate's budget as ESD will have to absorb additional cases with reduced staffing and continue to provide a high level of support to PCC staff. This will degrade the quality of services provided and will lead to poorer outcomes for the families and put the Reach Up program at significant risk of not meeting its federal Work Participation Rate, leading to financial sanctions.
- The PCCs experience a high turnover rate. On average, ESD case managers have approximately 9 years of Reach Up case management experience compared to approximately 3 years of average experience of the PCC case manager. Ironically, the Senate's proposal retains the least experienced staff and eliminates the most experienced staff which is contrary to the state's RIF process and undercuts the policy considerations for the process.
- The PCCs case managers' relative inexperience does not position the PCCs to absorb the additional caseload and complex cases they will need to be assigned under this proposal. The PCCs provided information to the legislature that years of level funding have destabilized



them and that the initial proposal will further destabilize them. Given there is no additional financial support for them in the Senate's proposal, the additional complex caseloads will further erode their ability to provide services to Reach Up families.

- The senate's budget erodes the important connection between Reach Up and Child Welfare. ESD and FSD staff make a concerted effort to work together in serving families. As such, all district offices have developed a process to identify families in common and coordinate case management services and plans when possible, particularly around temporary absence Reach Up cases that remain open for 180 days when family reunification is the goal of the case plan. The Senate's proposal will significantly disrupt this teaming approach and lead to poorer outcomes for children and families and could delay or disrupt family reunification leading to higher FSD caseloads.
- The process to RIF 12 Reach Up case managers will have a significant destabilizing impact on ESD. Our ability to accurately determine financial eligibility for Reach Up, LIHEAP, 3SquaresVT and General Assistance benefits will be directly impacted. Most of the 12 staff currently in the case manager positions to be eliminated are not trained to process financial benefit program eligibility and they will mainly displace fully trained benefits program specialist staff. It currently takes between 18-24 months to fully train a benefits program specialist. This significant disruption in the eligibility staff will lead to longer processing times and increased case processing errors, impacting Vermonters who rely on our programs. It will put the 3SquaresVT program at risk of missing federal performance standards, leading to financial penalties.
- This staff reduction will also delay the implementation of the E&T duals because we are not able to identify which districts/positions can code to E&T. It would also make it more difficult to implement isolating non-TANF eligible cases to one case manager in the district. With this staff reduction, we might not be able to draw down the SNAP E&T funding (\$1.4M) that is included in the SFY20 budget since we will not have the staffing costs to spend it.

In summary, eliminating 12 Reach Up positions on the face of it may appear to achieve savings but, the anticipated increased error rates, the destabilization of the division, the potential increased involvement for these families with child protection, and the reduced likelihood of achieving the federally required Work Participation Rate will likely cost the state more. Most important, all of these impacts will have negative consequences for the vulnerable families who utilize and benefit from this program.

