
**Report to
The Vermont Legislature**

Evaluation of Reach Up

In Accordance with 33 V.S.A. §1134

Submitted to: Governor
General Assembly

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Executive Summary

This report addresses highlights, trends, and outcomes within the Reach Up, Reach Ahead, and Post-Secondary Education (PSE) Programs. Reach Up is Vermont’s Temporary Assistance to Needy Families (TANF) program, and provides cash assistance, case management, and support services to very low-income Vermont families whose income is generally below 43% of the Federal Poverty Level. Reach Ahead provides transitional assistance to participants who are leaving the Reach Up program and are working. PSE supports families with financial assistance and case management as parents pursue a two or four-year higher education degree. These critical programs join approximately 2584 Vermont parents and caretakers¹ on their journey to enter or re-join the workforce and provide nearly 6302 Vermont children with household income that helps provide basic needs.

Most data in this report, unless stated otherwise, are for the period October 1, 2019 through September 30, 2020 (federal fiscal year 2020). Data reported in Sections 3 (Reach Up leavers’ participation in 3SquaresVT) are for the period July 1, 2019 through June 30, 2020 (state fiscal year 2020). Most data are extracted from the state’s ACCESS system. In some cases, data are collected manually, through surveys, spreadsheet tracking, or case reviews. This report will examine the joint work of the Reach Up program and Reach Up participants to address barriers to employment and set goals to improve the overall well-being of families in Vermont.

The COVID-19 pandemic, which profoundly impacted Vermont families starting in March 2020, affected every aspect of providing services to families working with the Reach Up program. Within days, rules and processes shifted; case managers started working remotely; and the program adapted quickly to providing services in a much different way. Despite the pandemic, the Reach Up program continued to implement and learn strategies to best serve Vermont families and help them move out of poverty. In some ways, the pandemic reinforced an organizational culture shift that was already in progress. Work throughout 2020 continued with goal achievement and coaching models of case management. With work requirement rules waived, case managers had the opportunity to further develop motivational interviewing skills and practice Goal, Plan, Do, Review, Revise (GPDRR) with participants. This allowed participants to focus on the most pressing and meaningful goal in that moment, which was even more important during a time when already-existing challenges were more acute due to the pandemic.

Many families continue to face obstacles to entering the workforce, and as mentioned previously, the pandemic potentially exacerbated many of these. However, an improvement this year was noted in two key areas: adult employment and finances. Unfortunately, barriers in transportation increased this year, for the first time in four years. Families also continue to face challenges such as finding affordable childcare; finding affordable housing options in a housing stock shortage; mental health and substance use treatment options; and insufficient finances to meet basic needs. On average, the obstacles facing families who have received more than 60 months of Reach Up are far greater. In some cases, such as mental health and transportation, families who have received long-term assistance experience challenges up to *double* the rate of other participating families. However, Reach Up mitigates these obstacles to a degree. Program initiatives such as the Vermont MOMS PartnershipSM, financial support services, the Financial Empowerment program, childcare subsidy, participant-driven and goal-oriented case management, and connections to other services in the community contribute to promoting family

¹ This number represents the approximate number of adults required to participate in work activities. Some households may have more than one adult participating, so this number will be higher than the average number of households served. Also, an additional 1227 families are receiving a “child-only” grant, which provides cash assistance to children whose parent(s) receive Supplemental Security Income (SSI) or who are being cared for by an adult other than their parent.

wellbeing and moving into employment. A study by independent contractor Leslie Black-Plumeau gives us more insight into the profound challenges families face and how we can design the program to alleviate these challenges. Again this year, Reach Up has met the federal Work Participation Rate thus demonstrating that a goal-centered approach is helping participants move into employment and off the Reach Up program.

Families continue to make progress towards their goals while participating in the Reach Up program, enabling them to enter the workforce or take necessary steps towards entering the workforce. This financial support provides a critical safety net while families work towards employment. Perhaps most importantly, it also provides financial support for children. Well-documented research shows that children who have benefited from financial assistance programs have better outcomes, even as adults. As the Center for Budget and Policy Priorities [mentions](#)², “Overall, the weight of the evidence indicates that economic security programs not only open doors of opportunity for participating low-income children but also lifts their future health, productivity, and ability to contribute to their communities and the economy in ways that benefit society as a whole.” Also, adults participating in Reach Up are obtaining employment and earning wages higher than ever, even when adjusted for inflation.

Introduction

The Department for Children and Families (DCF) submits this report pursuant to 33 V.S.A § 1134, which requires that annually by January 31st, DCF report to the Governor and the General Assembly on progress achieving the goals in 33 V.S.A. § 1002, § 1102, and §1202 in the past year. The following sections in this report correspond to the numerical paragraphs under subsection 1134.

Highlights and Changes in 2020

Reach Up Response to COVID-19

The emergence of the COVID-19 pandemic in March 2020 required a shift in practice and procedures in the Reach Up program including eligibility, case management services, and personnel. In a matter of days, changes were made to address worker and community safety, and to ensure that as many families as possible could access needed services.

- Act 140, Sec. 13 amended Act 91, Section 4 and continued to authorize the Agency of Human Services (AHS) to waive or permit variances of AHS rules to support children and families who receive benefits and services through DCF through March 31, 2021. Under this authority, AHS waived several Reach Up program rules in response to the pandemic (the complete list of waived rules can be found [here](#)³.)
 - For eligibility, some reviews were extended; self-declaration of certain verification requirements were allowed; temporary absence eligibility was extended; 60-month application requirements were waived; and all pregnancies were considered high-risk.
 - For case management services, more than one conciliation per year is allowed; conciliation was allowed for those with 60 countable months; out-of-school youth requirements were waived; in-person meeting requirements were waived; and all participants were deferred from the work requirement;

² <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over#:~:text=Government%20economic%20security%20programs%20such,do%20better%20in%20school%20and>

³ <https://dcf.vermont.gov/sites/dcf/files/CVD19/ESD/ReachUp-Act140.pdf>

- Case managers and eligibility staff shifted immediately to remote work. Case managers continue to maintain contact with participants through email, text, phone, FaceTime, and Microsoft Teams meetings.

As the pandemic eases and authority to waive rules lifts, Reach Up will resume applying program rules. In the event that Vermont does not meet the federal Work Participation Rate, the Administration for Children and Families has assured states that they may apply “reasonable cause” due to the pandemic. Reasonable cause would prevent the state from facing fiscal sanctions if it fails to meet the Work Participation Rate. The greatest threat to the Work Participation Rate is increasing unemployment paired with decreased unemployment insurance benefits⁴. This presents a possibility that the Reach Up caseload will increase and Reach Ahead participation will decrease. Both of these factors could contribute to a reduction in the Caseload Reduction Credit (see Section 6 of this report).

\$2.6 Million in COVID-19 Relief Funds (CRF) Sent to Families

- In November, AHS allocated \$1.3 million in CRF to issue one-time checks to families receiving Reach Up to cover increased costs and/or decreased income due to COVID-19. Families were eligible if they received a Reach Up grant in October and completed an attestation certifying that they had experienced increased expenses or decreased income due to COVID-19 and that they had not or would not receive reimbursement from any other federal program for the increased expenses or decreased income. The attestations were done over the phone or mailed to them. To ensure federal auditing requirements were met, staff obtained attestations from over 3000 families, making phone calls to every family who was potentially eligible. The checks were issued in early December.
- In late December, an additional \$1.3 million was allocated to Reach Up to provide families with an additional check to cover additional food costs. In this second round of funds, checks for \$391 were issued on December 29.

Families Participating in Reach Up Also Received a 3SVT CRF Payment

In mid-December, the 3SquaresVT program issued checks to cover increased food costs; 1,620 Reach Up households received a \$286⁵ check.

Reach Up Case Managers Take On Housing Case Management

To respond to the increased need for housing case management services, high utilization of hotels and shelters, and the influx of federal CRF to address housing needs, Reach Up case managers have taken on housing case management in certain circumstances. For the foreseeable future, Reach Up will provide housing case management for:

- Families in Reach Up who are in a General Assistance hotel, transitional housing, or shelter
- Child only households who are in a General Assistance hotel, transitional housing, or shelter

⁴ Most individuals who are eligible for unemployment insurance are not eligible for Reach Up, because their income is too high to meet the eligibility threshold for Reach Up. The expanded unemployment benefits have kept the Reach Up caseload relatively stable throughout most of the pandemic.

⁵ Not all families receiving Reach Up also received the \$286 CRF check from 3SquaresVT because it was intended for households who had not previously benefited from the supplemental emergency maximum allotment benefits, which maximized the 3SquaresVT benefit for households that were previously not receiving the maximum benefit amount.

Trauma Informed Care Toolkit

This toolkit has been in progress since late 2018 in collaboration with the Office of Family Assistance (OFA) Peer TA⁶, Manhattan Strategies, and Dr. Andrea Hetling (Rutgers University). The toolkit, entitled *Building a Trauma Informed Temporary Assistance to Needy Families Program*, was created specifically for the Reach Up program and is the first of its kind for TANF programs in the United States. We are aiming to have a formal training on the toolkit in late spring/early summer 2021. OFA also hosted a national webinar featuring this work on September 30, 2020; the toolkit is available [here](#)⁷.

Goal-Oriented Coaching Approach

The Reach Up program continues to develop and refine strategies to help participants succeed in entering the workforce. Building on the program mission, “*Reach Up joins families on their journey to overcome obstacles, explore opportunities, improve their finances, and reach their goals*” Reach Up staff continue to develop a strength-based coaching model of case management, in which a mutually trusting and respectful relationship is built. The goal-achievement model builds on intrinsic motivation to help participants pursue goals that are personally meaningful to them, which builds confidence and leads to employment. Empowering participants in this way increases their level of trust in their case manager, which in turn enables case managers to easily determine the strengths and challenges of each family and connect them to appropriate resources. Setting and achieving goals is key to strengthening critical core adult capabilities needed for financial stability, family well-being, and healthy parenting.⁸ The development of responsive relationships between case managers and participants models the healthy relationships needed within families to mitigate the effects of stress.⁹ This work has been guided and facilitated by nationally renowned experts from Mathematica Policy Research and Dr. LaDonna Pavetti Ph.D. of the Center for Budget and Policy Priorities and uses research-informed best practices.

Financial Empowerment Program

The Financial Empowerment program helps Reach Up participants gain financial capability and confidence with their finances. The program provides one-on-one financial coaching and financial classes to anyone participating in Reach Up. Currently the Reach Up program collaborated with two community action organizations – Capstone and Champlain Valley Office of Economic Opportunity – to provide services to participants in Barre, Morrisville, Burlington, and St. Albans. Participants can earn \$50 incentives for meeting a variety of financial goals, for example establishing a personal budget or setting up an automatic savings or direct deposit account. During the pandemic, participants and financial coaches continued to meet virtually. Participants continued to meet their financial goals and earn incentives.

During the last year:

- 77 participants addressed a debt or credit issue;
- 57 participants completed a financial capability class;
- 129 participants saved money – they either started saving or continued to add to their savings.

⁶ Technical Assistance provided free of charge by the federal OFA to TANF organizations.

⁷ <https://dcf.vermont.gov/sites/dcf/files/ESD/Docs/RU/Trauma-Informed-TANF.pdf>

⁸ *The Science of Adult Capabilities*, <https://developingchild.harvard.edu/science/deep-dives/adult-capabilities/>

⁹ *Goal 4 It: Science-Informed Approach to Achieving Economic Independence*, Michelle Derr, Ph.D. and Jonathan McCay, Mathematica Policy Research

Mental Health Outreach for MotherS (MOMS) Partnership® Launch

In the spring of 2018, Reach Up was chosen through a competitive process to be one of the nation’s first TANF programs to replicate this evidence-based program developed by Yale University to address the mental health needs of mothers. The program has seen impressive results, with participants in the program experiencing a dramatic decrease in depressive symptoms, an increase in workforce engagement, and an increase in treatment follow-through. *For more information on the impact of this program, see: <https://medicine.yale.edu/psychiatry/moms/impact/>*

In March 2020, despite the COVID-19 pandemic, the Vermont MOMS PartnershipSM was launched in collaboration with the Howard Center. Originally intended to be an in-person group, the Howard Center MOMS team quickly re-grouped and made arrangements to hold the group virtually. While it is too early in the study to determine definitive results, preliminary findings are promising. The mothers who have participated so far have reported a decrease in depressive symptoms and anxiety. They have also reported increased social connections.

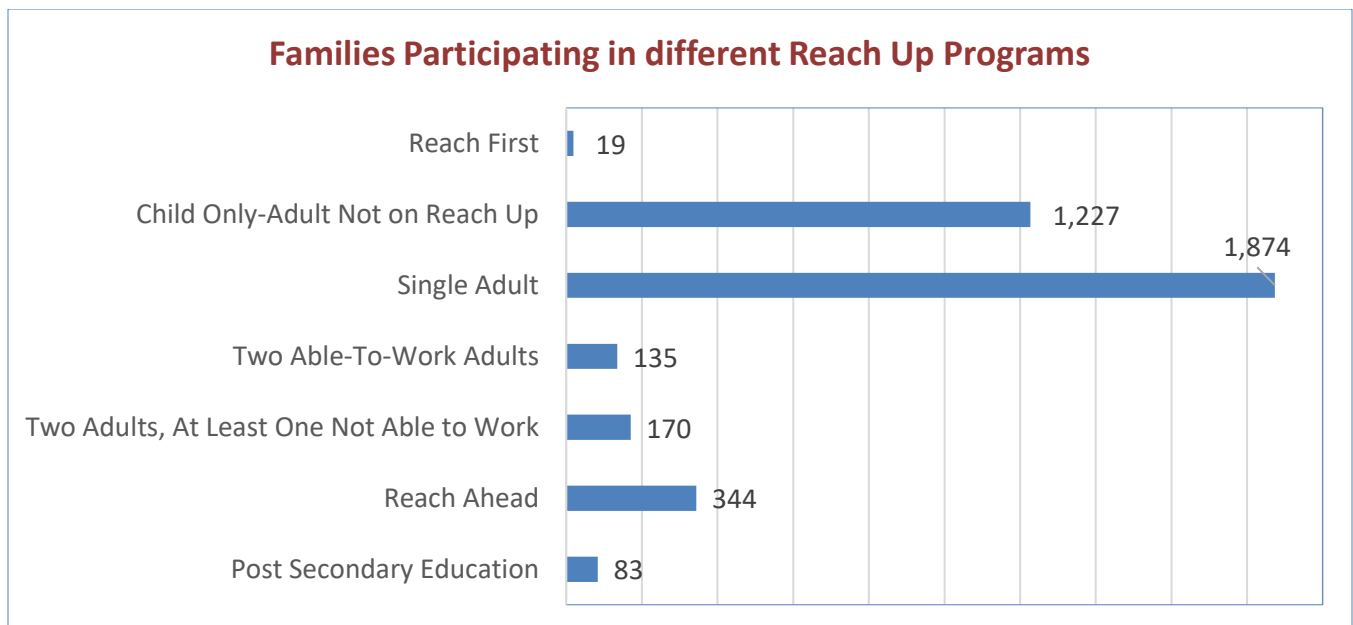
Section 1: Participant Barriers

Participant barriers or obstacles may prevent or delay entrance into the workforce. Reach Up participants and their families often face significant obstacles on their path to employment. Data illustrating “barriers” and deferments from the work requirement help us understand the most common issues families face while participating in the program. Reach Up case managers help families set goals to overcome these obstacles and access opportunities that will help them become financially stable.

The following two charts illustrate:

- the types of families and number of adults participating in the Reach Up program;
- the number of participants with barriers;
- the number of participants with deferred work requirements; and
- the ages of children in families receiving Reach Up.

The data below represent the average monthly numbers for October 2019 through September 2020:



Average Number of Adults Participating in Reach Up Each Month ¹⁰	
Child Only (Adult not on Reach Up)	0
Single Adult	1,874
Two Able-To-Work Adults	370
Two Adults, At Least One Not Able to Work	340
Total Adults	2,584
** (does not include Postsecondary Education Program participants)	

Reach Up Participants with Barriers

Reach Up Case Managers assess participants’ strengths and barriers to employment on an ongoing basis. Data are collected in several ways. Case managers enter data into the Family Support Matrix in the ACCESS system as changes occur in participants’ situations.

Some of the most significant obstacles Reach Up participants face include:

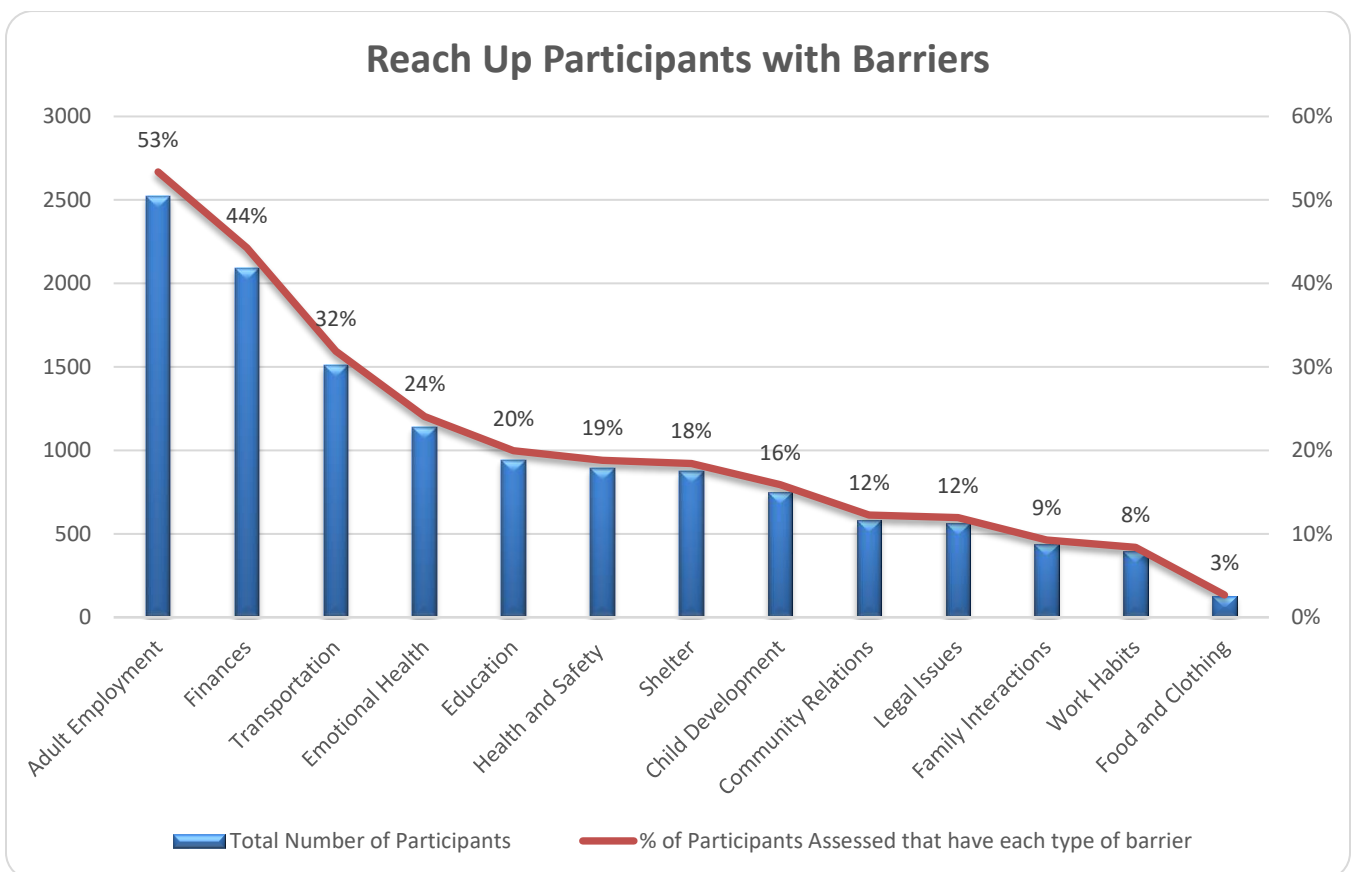
- **Availability of affordable childcare** – Reach Up provides a full childcare subsidy for participating families. It also offers a deferment for parents to delay the work requirement to care for their children under age two. However, the availability of childcare (especially for children under age two) and the required copayment (commonly \$25-\$50 per child, per week) continue to present challenges for parents trying to enter the workforce.
- **Housing** – The Reach Up grant is not high enough to cover market rent in most Vermont towns, and only one quarter of Reach Up participants live in subsidized housing. Additionally, housing stock is severely limited. Case management support provided by Reach Up helps mitigate these obstacles to a degree. For example, 51% of families experienced an improvement in their housing situation after participating in the program for one to two years.¹¹
- **Work skills and experience** – Most Reach Up participants still move into low-wage work, however, wages are gradually increasing. Reach Up contracts with Vermont Adult Learning, Parent Child Centers, and the Vermont Association of Business Industry and Rehabilitation (VABIR) provide job coaches and employment specialists.
- **Transportation** – This barrier has increased for the first time in several years, from 29% in 2019 to 32% in 2020. Reach Up purchases vehicles to support working families each year, provides rides for those with no transportation through Good News Garage’s Ready to Go program, and helps participants develop plans to pay fines and obtain their licenses. However, the effects of the lack of transportation are profound including job loss, missed medical appointments, and difficulty getting household tasks such as laundry accomplished.
- **Mental health, physical health, and substance use disorder** – Each district office has direct access to a clinician, clinical case manager and/or wellness coach specifically for Reach Up participants. This access is especially important for pre-contemplative work and removing barriers to treatment. Additionally, mothers participating in Reach Up in Chittenden County can now participate in the Vermont MOMS PartnershipSM, a program that addresses maternal depression with proven results in employment outcomes and reducing depressive symptoms.

¹⁰ Household level data

¹¹ Black-Plumeau, L and McIntyre, R, *Emergency Housing Program by families receiving Reach Up*

- Finances** – Though the cost of living increases steadily, and housing costs have skyrocketed, the Reach Up grant remained stagnant until 2019 when it increased slightly. This was the first increase in benefits families received in 14 years, which helps them meet more of their basic needs. Pilots such as the Financial Empowerment program enables families to build assets and learn about their finances at the same time and provides a crucial income boost for very low-income families. These families still live in a constant state of scarcity; scientists have likened living in chronic poverty to trying to function with a missed night of sleep.¹² The toxic stress associated with poverty (especially long term), affects the ability of both adults and children to plan for the future.

The chart below illustrates the percentage of Reach Up participants assessed as having specified barriers. The case manager enters the results of these assessments into ACCESS, from which the following data is extracted. During the period from October 2019 to September 2020, case managers assessed 4,731 participants and found 12,830 barriers, an average of 2.7 barriers per participant. The average number of barriers per participant slowly increased between 2012 (average of 2.2 barriers per participant) and 2019, when the average number of barriers per participant was 2.9. However, this past year the average number of barriers per participant decreased to 2.7, with notable improvements in adult employment and finances. In 2019, 62% of participants reported obstacles related to adult employment, while in 2020 that percentage decreased to 54%. Likewise, the percentage of participants reporting finances as a barrier decreased from 49% to 44%.



¹² Mullainathan, S and Shafir, E, *Scarcity: Why Having Too Little Means So Much*

Key to Domains:

- **Adult Employment** – Poor or no work history, no employment opportunities, other employment factors
- **Finances** – Severe debt problems, poor or no budgeting skills, bankruptcy, other
- **Transportation** – No driver’s license or permit, no transportation, unreliable transportation, suspended license, owes fines, needs CRASH, needs car repairs, other
- **Emotional Health** – Alcohol abuse, drug abuse, mental health issues, other
- **Health and Safety** – Physical health issues, lack of medical providers, dental work needs, other
- **Education** – No diploma or GED, doesn’t speak English, difficulty learning, lacks essential skills, learning disability, other
- **Shelter** – Homeless/living in shelter, dangerous/inadequate housing, lack of affordable housing, owes back rent, other
- **Community Relations** – Poor relationships with neighbors, isolated from community/services, other
- **Child Development** – Children who have serious developmental delays, serious behavioral problems, no child care available, disabled child, child has IEP, other
- **Legal** – Legal or court proceedings, divorce, history of criminal activity, other
- **Family Interactions** – Efforts being sabotaged, multiple agency involvement, family make-up frequently changing, frequent family conflicts, domestic violence, needed in home, other
- **Work Habits** – Lacks hard skills, lacks soft skills, other
- **Food and Clothing** – Inadequate clothing, inadequate nutrition, other

To help mitigate these obstacles, Reach Up provides incentives and support services designed to help families reach their employment goals. Support services improve participants’ prospects for employment and job retention. The need for support services is determined during assessment, reassessment, and during the creation and modification of the Family Development Plan. Reach Up provides a wide range of support services including payment for childcare and transportation. Case managers also use the “*Your Money, Your Goals*” toolkit to integrate financial capability into the program and to address financial barriers.

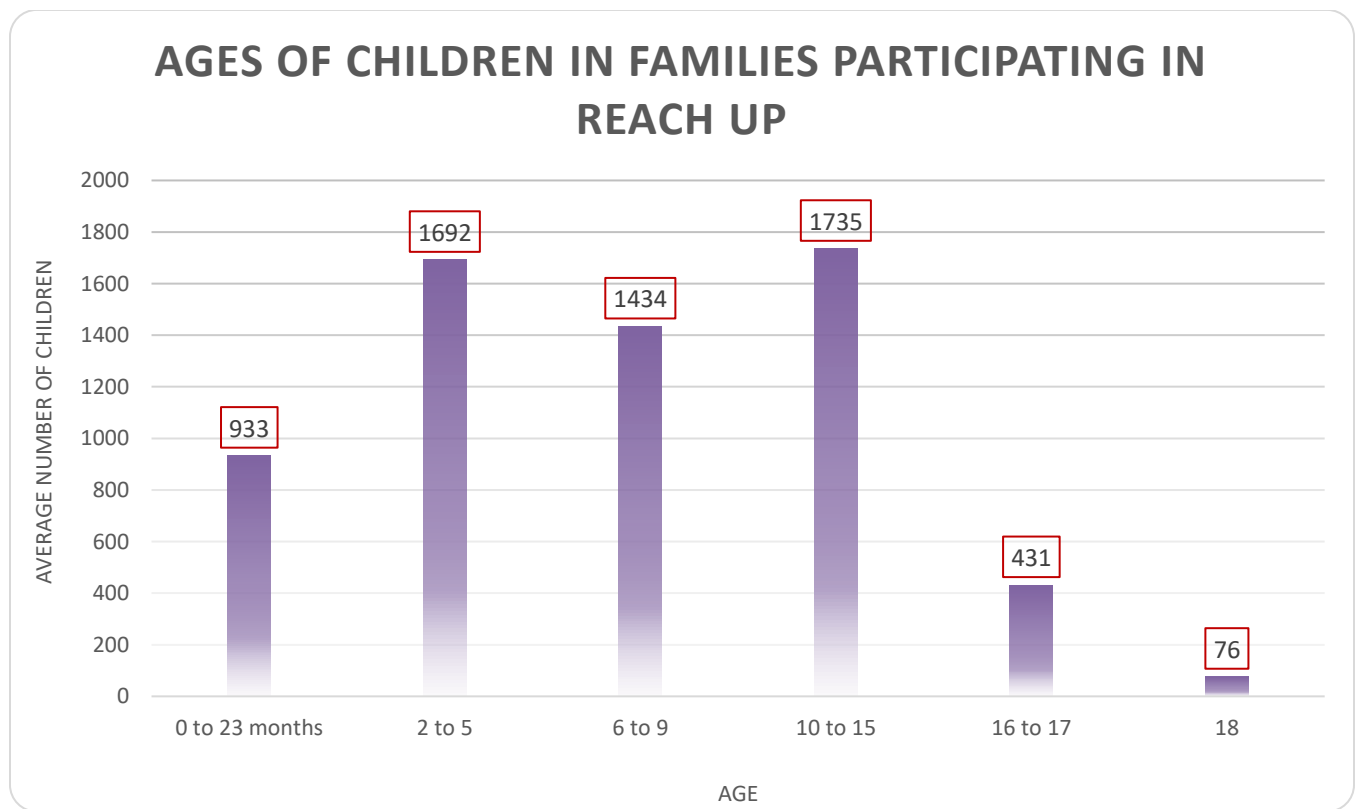
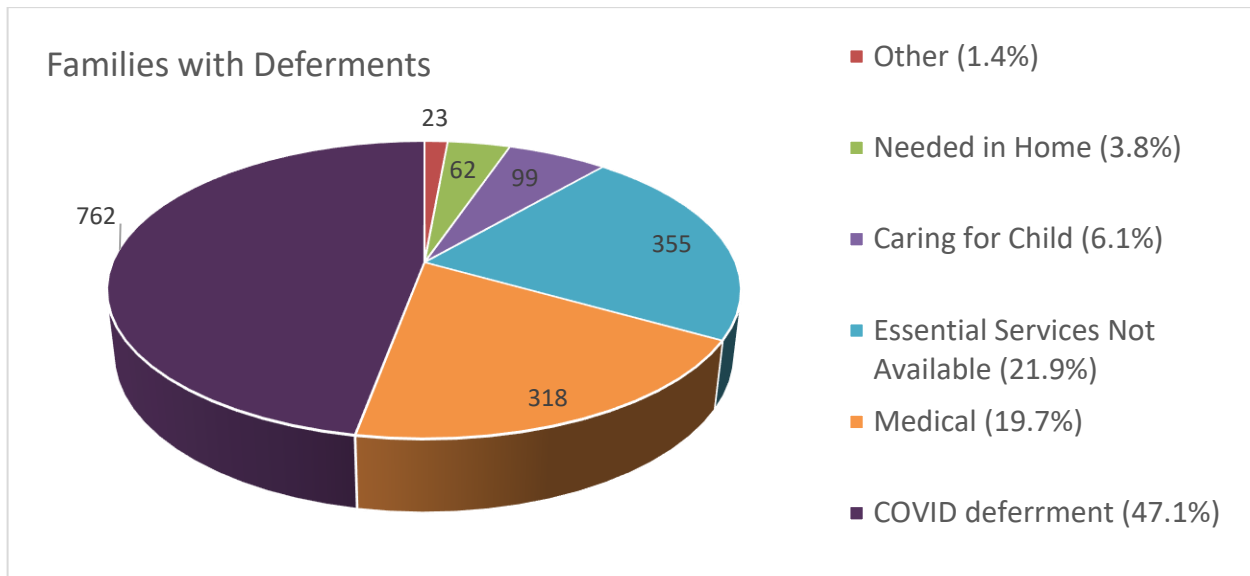
It is important to remember that these obstacles can have profound effects on the children in these families. Some obstacles, such as housing insecurity, can literally affect the developing brains of young children. There is strong research to suggest that factors such as increased income, stable housing, enough food to eat, and high-quality childcare in a child’s early years improves their outcomes for decades. Research has shown that modest increases in family income results in better outcomes for those children as adults¹³. Devoting resources to families to address these barriers not only affects parental ability to enter the workforce today, but also results in greater school success for their children and an increased likelihood that children will enter the workforce in the future.

Reach Up Participants with Deferments from the Work Requirement

A deferment is a temporary postponement of the program’s full work requirement. A deferred participant must have a Family Development Plan that includes an employment goal. As part of their plan, they also participate in activities that address the reason for the deferment, ultimately leading to the achievement of the employment goal. Consistent with the Department’s strength-based approach to case management, staff modify rather than defer the number of work requirement hours for participants who can work at least 10 hours per week. This past year, due to COVID-19, everyone on the caseload has been technically deferred from the work requirement during the pandemic months. This allows the Department to not “count” these months towards the time limit. The decision to defer all participants due to the extraordinary challenges families are facing gives additional bandwidth to address these challenges. Participants are still expected to engage in the program, set goals, and make progress

¹³ “Economic Security Programs Help Low-Income Children Succeed Over the Long Term, Many Studies Show,” Center for Budget and Policy [Priorities](#)

towards those goals. Figures in the chart below represent the deferment status of adults with a work requirement.¹⁴



The chart above illustrates the ages for a monthly average of 6,302 children who received Reach Up assistance from October 2019 through September 2020. Approximately 42% are under age 6, a critical time in child development; 58% are age 6 or over.

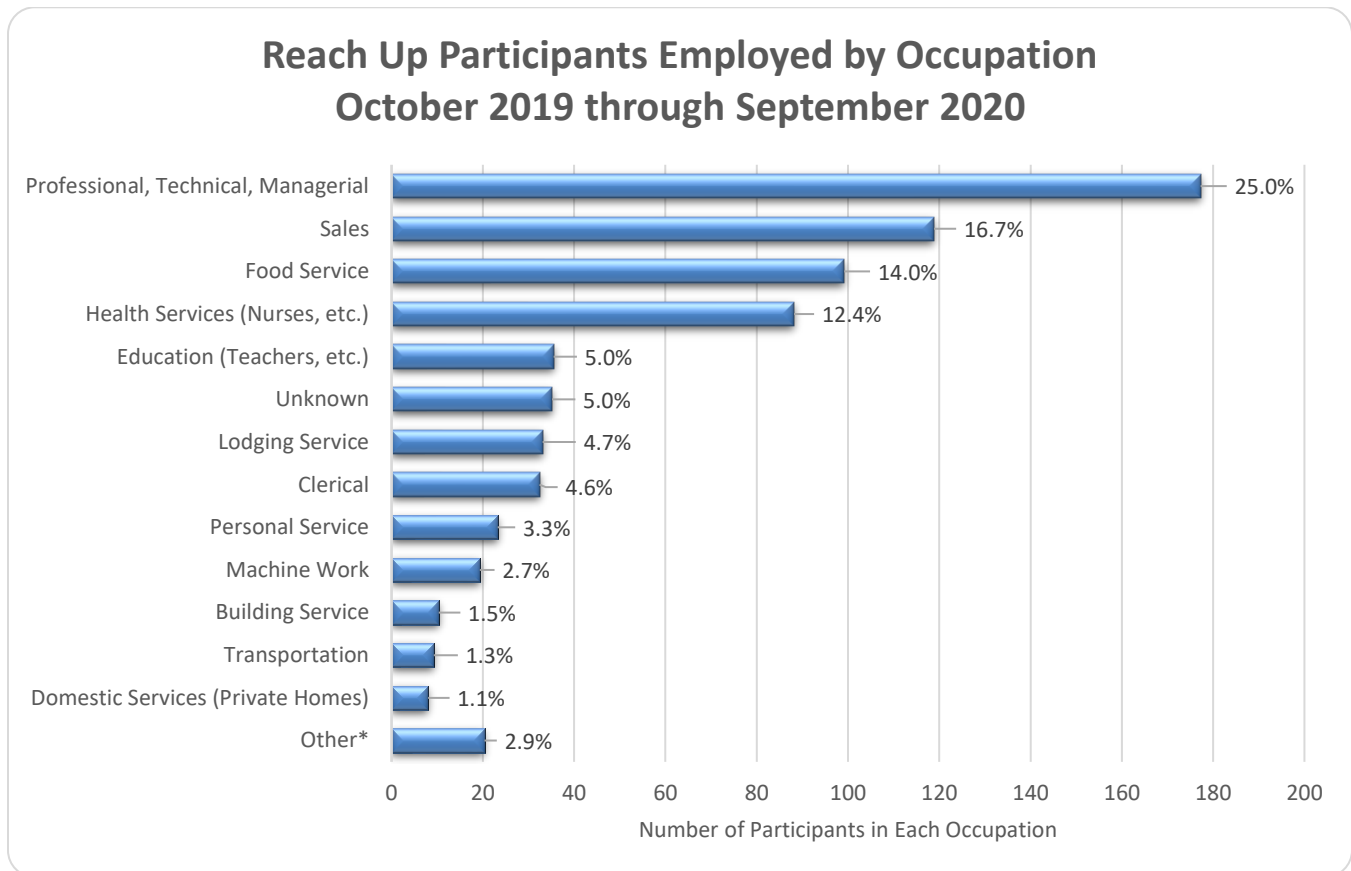
¹⁴ The deferment percentages reflect an entire year, pre- and post-pandemic. Thus, they look very different than previous years, since for the majority of 2020 (but not all), all participants were deferred from the work requirement.

Section 2: Participant Outcomes

Charts in this section illustrate monthly averages of Reach Up and Reach Ahead participants' work by occupation, industry, and wages based on data from October 2019 through September 2020. It does not include the Postsecondary Education program. The last chart illustrates the number of families that moved off assistance.

Participant Employment Data

The charts below illustrate occupations of an average of 710 Reach Up and Reach Ahead participants per month who are working. Of the 710 participants, 344 are in the Reach Ahead program. Within Reach Up, 366 are working; this figure demonstrates that 14% of adults in Reach Up work while remaining eligible for the program. This represents approximately 16% of all households receiving Reach Up.¹⁵



¹⁵ Some households have two parents receiving Reach Up.

**Reach Up Participants Employed By Occupation
October 2019 through September 2020**

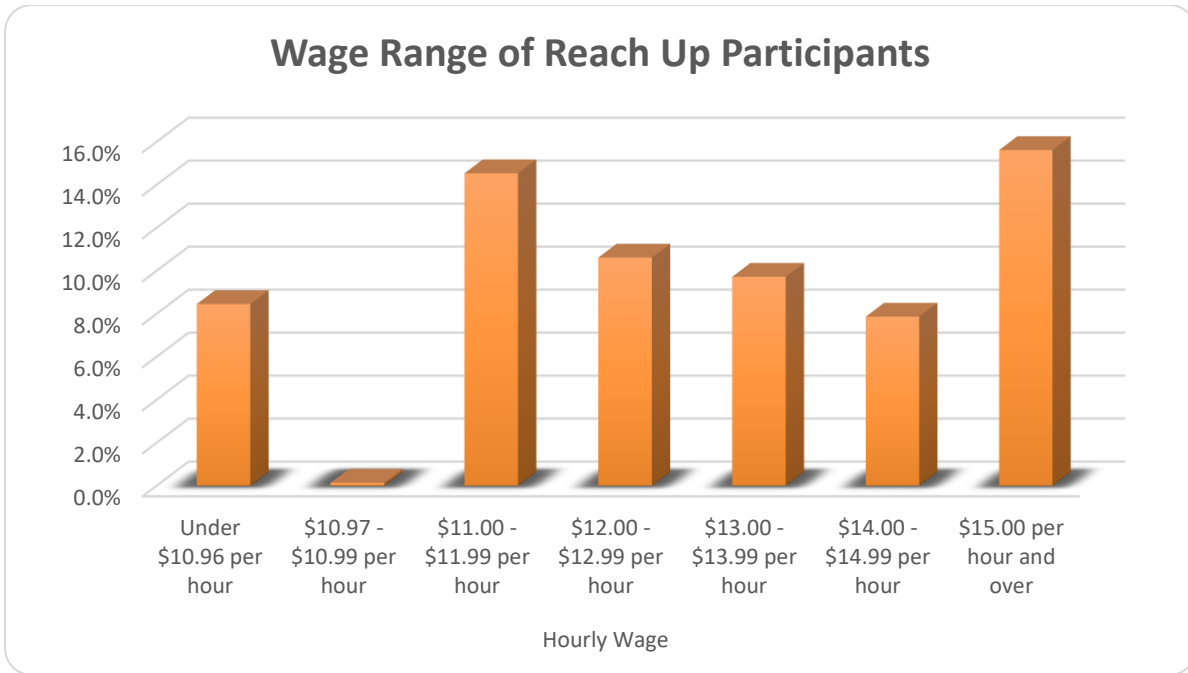
Occupation	Average Number of Participants	Percentage in Each Occupation
Other*	20	2.9%
Domestic Services (Private Homes)	8	1.1%
Transportation	9	1.3%
Building Service	10	1.5%
Machine Work	19	2.7%
Personal Service	23	3.3%
Clerical	32	4.6%
Lodging Service	33	4.7%
Unknown	35	5.0%
Education (Teachers, etc.)	36	5.0%
Health Services (Nurses, etc.)	88	12.4%
Food Service	99	14.0%
Sales	119	16.7%
Professional, Technical, Managerial	177	25.0%
Total Participants Employed	710	100.0%

** Each of the occupations consolidated in the "Other" category employed less than 1% of the participants.*

**Reach Up Participants Employed by Industry
October 2019 through September 2020**

Industry	Percentage in Each Industry	Average Number of Participants
Services	54.1%	384
Retail Trade	10.2%	72
Transportation & Public Utilities	6.3%	45
Manufacturing	3.0%	21
Government	1.0%	7
Construction	0.8%	6
Agric/Forestry/Fishing/Mining	0.8%	5
Wholesale Trade	0.5%	4
Finance/Insurance/Real Estate	0.2%	2
Other/Unknown	23.0%	164
Total Participants Employed		710

The charts below illustrate the percentage of employed Reach Up and Reach Ahead participants in each wage range. They do not include newly employed or self-employed adults whose earnings have yet to be verified, or adults in supported work placements who are not earning wages. Participants starting self-employment may have a net income equivalent to less than \$10.78 per hour, Vermont’s 2019 minimum wage. The percentage of participants making at least \$12 per hour has increased every year in the last four: 25% in 2017, 33% in 2018, 39% in 2019, **to 43.8% in 2020**. Most notably, the number of participants earning wages in the highest bracket, at least \$15 per hour, nearly doubled in just two years from 8.7% in 2018 to 15.6% in 2020.



Reach Up Participants By Wage Range October 2019 through September 2020		
Wage	Percentage in Wage Range	Average Number of Participants
Under \$10.96 per hour	8.5%	60
\$10.97 - \$10.99 per hour	0.1%	1
\$11.00 - \$11.99 per hour	14.5%	103
\$12.00 - \$12.99 per hour	10.6%	75
\$13.00 - \$13.99 per hour	9.7%	69
\$14.00 - \$14.99 per hour	7.9%	56
\$15.00 per hour and over	15.6%	111
Unknown	31.6%	224
Average Participants Employed Per Month	710	

Adults Participating in Training and Education Programs

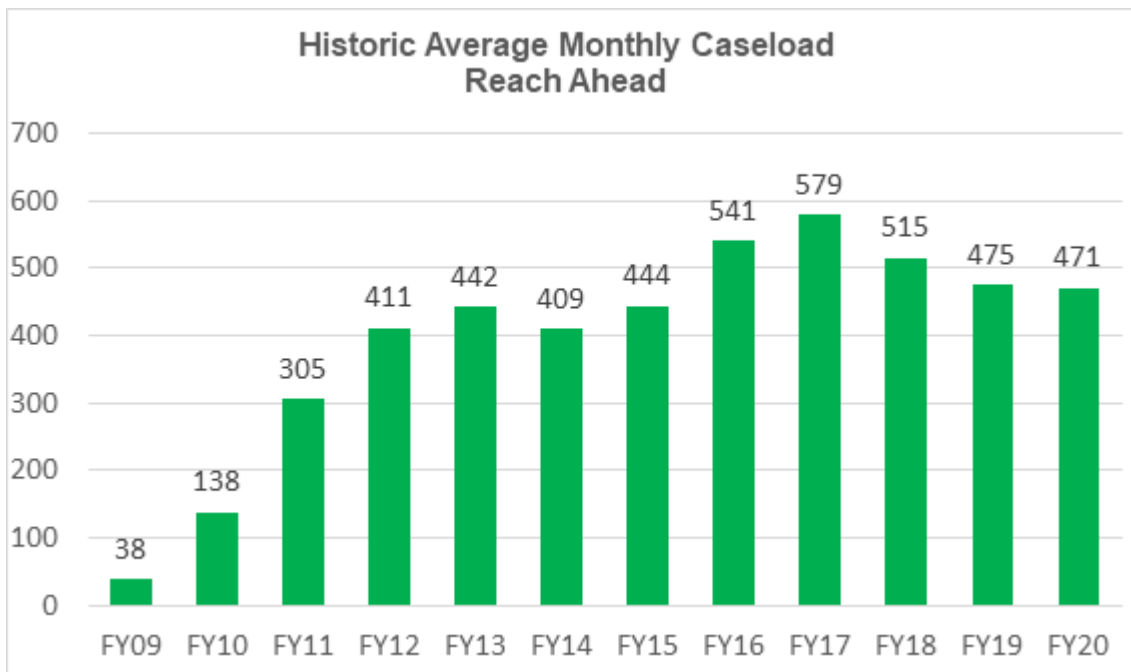
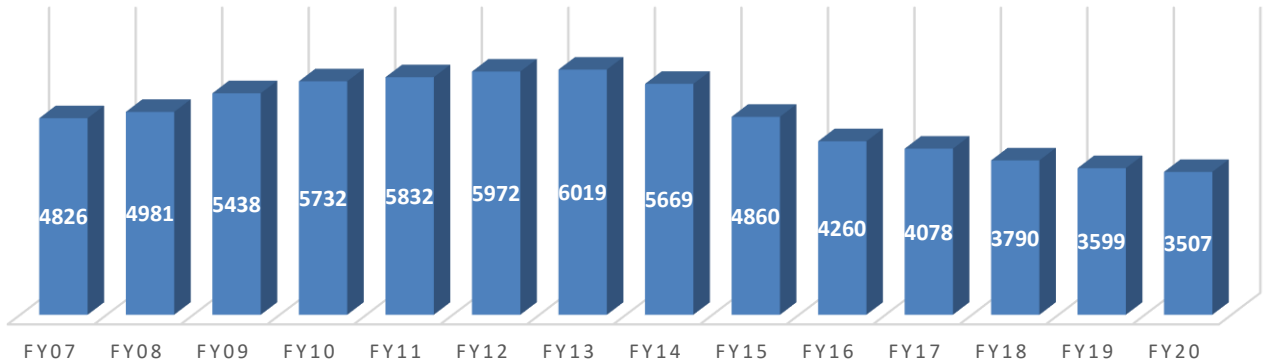
Some participants may take part in short-term training and education programs. Participants in Reach Up who need work experience may be placed in supported work experiences and community service placements where they do not earn wages. Many work experiences and community service placements were halted due to COVID-19, so the number of participants able to access these activities decreased compared to 2019. These participants are included in the table below:

Parents Participating in Training and Education Programs October 2019 through Sept 2020	
Activity Type	Average Number of Participants
Work Experience	35
On-the-Job Training	0
Vocational Education	22
Job Skills Training	5
Education Related to Employment	2
Satisfactory School Attendance	18
Average Participants per Month:	82

Historic Caseloads

When Vermont's TANF reauthorization waiver expired on July 1, 2001, the state was required to comply with TANF reauthorization regulations. At that time, there were 5,500 families on assistance. Data in the following chart represents the average monthly number of families for each state fiscal year. Caseload increases between state fiscal years 2007 and 2013 reflect the national economic recession at that time. Since 2013, caseloads have steadily declined each year. This is likely due to improved economic conditions and the work of our case managers to support parents with their Family Development Plans. A small portion of the decline can also be attributed to families who left Reach Up after time limits were implemented in May 2014. Despite the trend in declining caseloads over the last few years, it is expected that this decrease will level off and start to increase again in the next few years. Additionally, the COVID-19 pandemic created uncertainty regarding the Reach Up caseload. During the pandemic, many families were able to access unemployment benefits, which made them ineligible for Reach Up. As these benefits decrease, it is possible the program will begin to see increased caseloads again.

HISTORIC AVERAGE MONTHLY CASELOADS (REACH FIRST, REACH UP AND PSE HOUSEHOLDS)



Section 3: 3SquaresVT Participation of Reach Up Leavers

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2020. An average of 2,064 families left Reach Up each quarter; an average of 1,753 or 85% of these families were still off Reach Up 4 months later. When they left Reach Up, 88% of these families were receiving 3SquaresVT benefits; 4 months later, 63% still received 3SquaresVT.

Reach Up Leavers' Participation in Food Stamps-- Fiscal Year 2020					
	Quarter Ending Sep '19	Quarter Ending Dec '19	Quarter Ending Mar '20	Quarter Ending Jun '20	Average
1. Total number of individuals who left Reach Up	1,971	1,906	1,717	2,660	2,064
2. Those in #1 who were not receiving Reach Up in the 4th month after leaving Reach Up	1,652 84%	1,576 83%	1,464 85%	2,319 87%	1,753 85%
3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving Reach Up	1,432 87%	1,355 86%	1,283 88%	2,160 93%	1,558 88%
4. Those in #3 who were also enrolled in 3SquaresVT in the 4th month after leaving Reach Up	860 60%	831 61%	843 66%	1,367 63%	975 63%

Section 4: Health Care Enrollment of Reach Up Leavers

Vermont is a leader in providing health care assistance to children and families. When a family's income exceeds the Medicaid eligibility threshold due to earnings or increased child support, the family will continue to be eligible for Medicaid through Transitional Medical Assistance (TMA) regardless of the family's increased earnings. TMA extends a family's Medicaid eligibility for up to 12 months.¹⁶

Section 5: Summary of Reports by Contractors

Leslie Black-Plumeau, an independent contractor with the DCF, submitted *From short-term safety net to multi-generational income source: An analysis of Reach Up use patterns since 1991 by Vermont Families* in July 2020. The following excerpt is taken from that report, written by Leslie Black-Plumeau and Rob McIntyre:

- *More than half of the families participating in Reach Up in 2019 (at least 54%) include parents who also participated in the program as children, similar to the 58% rate found by an [earlier study conducted in 2013](#).*
- *The incidence of multi-generational Reach Up use was higher among 2 able-to-work-adult families than among other family types (68%). In 25% of all 2-adult families participating in Reach Up in 2019 both adults had participated in Reach Up as children.*
- *Child-only cases comprised 28% of the 2019 caseload and had substantially longer average episodes of program participation (76 months) compared to other family types.*
- *Among both single and 2-adult families, longer periods of Reach Up participation were correlated with family size, work participation deferments, identified barriers and the presence of multi-generational Reach Up use.*
- *Most of the 2019 families (61%) had only one or two assistance episodes as of December 2019. Families with a “churning” assistance pattern had the most episodes, with a median of 5.*

¹⁶ Health Benefits Eligibility and Enrollment rule § 7.03(a)(6)(i).

The report is available on the DCF website [here](#)¹⁷.

A report submitted by Leslie Black-Plumeau Consulting, LLC. on families who left Reach Up due to time limits, is included in Section 8 of this report.

Section 6: Work Participation Rates and the Caseload Reduction Credit

States must submit quarterly data on all TANF recipients to the U.S. Department of Health and Human Services, Administration for Children and Families (ACF). The work requirement for each family varies from 20 – 35 hours, depending on the age of the youngest child and whether it is a two-parent or single-parent family. Participants must fulfill those hours by taking part in federally approved “countable” activities. Those activities include paid employment, community service, limited hours of job search and readiness, and in a few cases, job training and education.¹⁸ ACF computes each state’s monthly Work Participation Rate for two categories: “All Families” and “Two-Parent Families” (families with two parents in the Reach Up assistance group). The rates are averaged over 12 months to calculate the state’s overall Work Participation Rate for the federal fiscal year. States are required to meet a 50% All-Family rate and a 90% 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 fiscal year Work Participation Rate based on declines in the state’s caseload during the prior Federal Fiscal Year (FFY). This adjustment to the Work Participation Rate is called the state’s Caseload Reduction Credit (CRC). The CRC gives states 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 the ACF:

TANF Work Participation Rates – Federal Fiscal Year 2020

	All Families	2-Parent Families
1 st quarter	47.2%	60.2%
2 nd quarter	43.1%	56.3%
3 rd quarter	31.8%	55.5%
4 th quarter	36.7%	79.7%
Average ¹⁹	39.7%	62.9%

Caseload Reduction Credit (CRC)

	All Families	2-Parent Families
Credit Submitted to ACF ²⁰	45.6%	62.8%

Applying the CRC to the participation rates results in an 85.3% All Families rate and a 100% Two-Parent rate. Vermont is on-track to meet the 2020 Work Participation Rate for both All-Families and Two-Parent rates.

The Work Participation Rate is only one part of measuring participants’ journeys to financial stability. A large part of this progress involves addressing multiple, complex barriers to employment which are

¹⁷ <https://dcf.vermont.gov/esd/reports>

¹⁸ Further federal limitations on hours of participation and the age of participants in certain activities exist.

¹⁹ The Work Participation Rates are submitted quarterly to ACF however the final calculations have not been finalized and released.

²⁰ The caseload reduction rates are the rates submitted to ACF in December 2019 Vermont is waiting for confirmation of the caseload reduction rates.

not recognized by the federal government in Work Participation Rates. For example, the federal requirements around activities that may be included in the Work Participation Rate, in most circumstances, do not include education. They also do not include addressing other major barriers to participation such as lack of childcare, transportation, or housing.

Section 7: Basic Needs, Housing Allowances, and Maximum Grants

Basic Needs and Housing Allowances

The Department calculates a basic needs standard that includes certain requirements considered essential to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special housing needs. This standard of combined basic needs increases according to household size from \$585 per month for a household of one, to \$2,012 per month for a household of eight. Each year the Department reports the current basic needs standard and budget which is adjusted to reflect an annual cost-of-living increase. DCF makes the annual cost-of-living increase calculation by running the basic needs standard and housing allowance through a computer program that recalculates these numbers 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 standard and housing allowance 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), DCF currently pays 49.6% of the total needs determined as of 2008.

The charts below illustrate the current basic needs for families of one to eight members; basic needs if adjusted in December 2019 for the cost-of-living increase; current housing costs; and housing costs if adjusted.

Basic Needs and Housing Allowance

Family Size	Existing Basic Needs – 2008 Standards (last changed Aug 2019)	Basic needs if adjusted to annual cost-of-living increase (Dec 2020)
1	\$528	\$666
2	\$771	\$975
3	\$1,011	\$1,278
4	\$1,209	\$1,528
5	\$1,418	\$1,792
6	\$1,560	\$1,972
7	\$1,803	\$2,278
8	\$2,012	\$2542
Each additional person	\$193	\$244
Housing Allowances	Existing Housing Allowance (last changed Oct 2001)	Housing allowance if adjusted to annual median cost (Dec 2019) ²¹
Chittenden County	\$450	\$640
Outside Chittenden County	\$400	\$585

²¹ Based on what participants report paying for housing. These figures are significantly lower than market rent, due to the combination of subsidized housing, “doubling up,” families experiencing homelessness, and other arrangements families must make to maintain housing.

Current Maximum Grants

As mentioned in the “Highlights” section of this report, the Reach Up grant amount changed in August 2019. The chart below shows the maximum grants for families of one to four members. Grants in Chittenden County are higher due to a history of higher shelter costs and a higher housing allowance. All families with out-of-pocket shelter costs in excess of 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	\$489	\$513
2	\$581	\$606
3	\$700	\$725
4	\$798	\$823

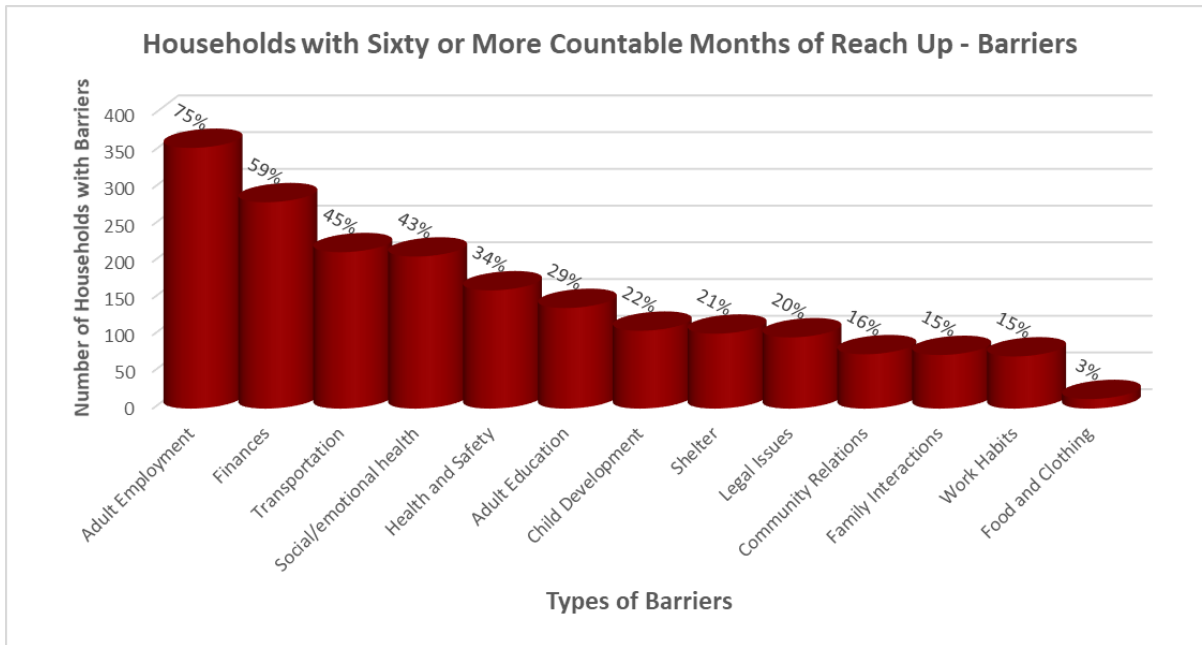
Section 8: Profiles of Families with 60 Countable Months of Reach Up

During the last fiscal year, there were 319 average monthly cases at the 60-month limit. While this is higher than last year’s monthly average of 278, the numbers were highest in April and May. This is the time when Reach Up saw an increase in cases due to the pandemic.

Families in this population face significantly higher rates of common barriers than those in the overall Reach Up population, with an average of four barriers per household. The general Reach Up population faces 2.7 barriers per household. The most significant barrier is adult employment in both groups. However, 75% of families who have received at least 60 months of assistance present with poor or no work history or no employment opportunities, compared to 53% of the overall Reach Up population.

Additional comparisons include:

Barrier	Overall Reach Up Population	60 Month Population
Emotional Health	24%	43%
Health and Safety	21%	34%
Transportation	29%	45%



An in-depth look at time limit leavers²²

Between October 2018 and September 2019 (FFY 2019), DCF identified 111 instances of families leaving Reach Up due to time limits. This period was selected so that the exit dates of the families would allow us to examine their use of support programs and rate of returning to Reach Up during the 12 months following their “forced” (due to time limits) exit from Reach Up.

Some families had multiple instances of being forced to leave Reach Up in FFY 2019 because they left, returned to Reach Up and then left again within this period. For this reason, the number of unique families forced to leave Reach Up during this period was 88, down 28% from 122 a year earlier. This was an even greater decline than the 5% decrease in the total Reach Up caseload that occurred at that time. For families who exited Reach Up more than once, this analysis focused on the experiences related to their earliest Reach Up exit during FFY 2019.

On average, 9 families were forced to leave Reach Up due to time limits each month during FFY 2019, down from 13 families a year earlier.

Almost all time limit leavers continued to use 3SquaresVT

Only one family forced to leave Reach Up because of time limits completely stopped using the 3SquaresVT program during the subsequent 12 months. The percentage of families using 3Squares dropped from 100% in the exit month to 89% two months after leaving Reach Up. However, during the entire 12-month period after exiting Reach Up, all the time limit leavers except one family had used 3Squares at some point.

²² Information in the remainder of Section 8 prepared and written by Black-Plumeau Consulting, LLC

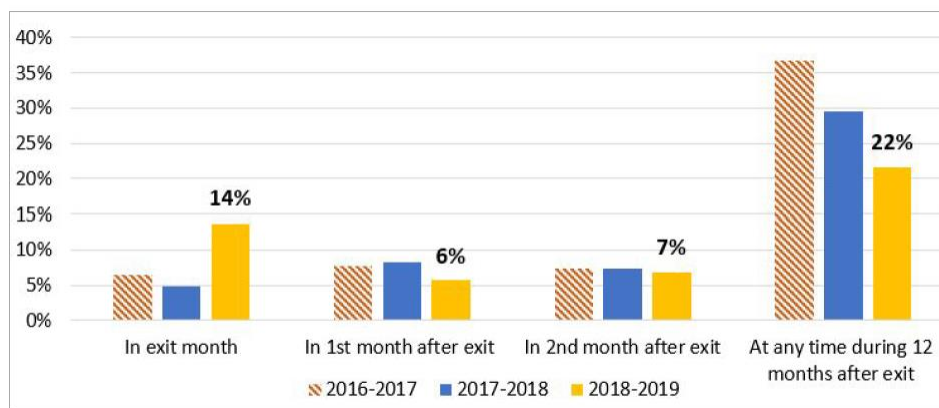
Percentage of families who used 3SquaresVT program (by FFY of forced Reach up exit)



Twenty-two percent of families used General Assistance during the year after leaving Reach Up

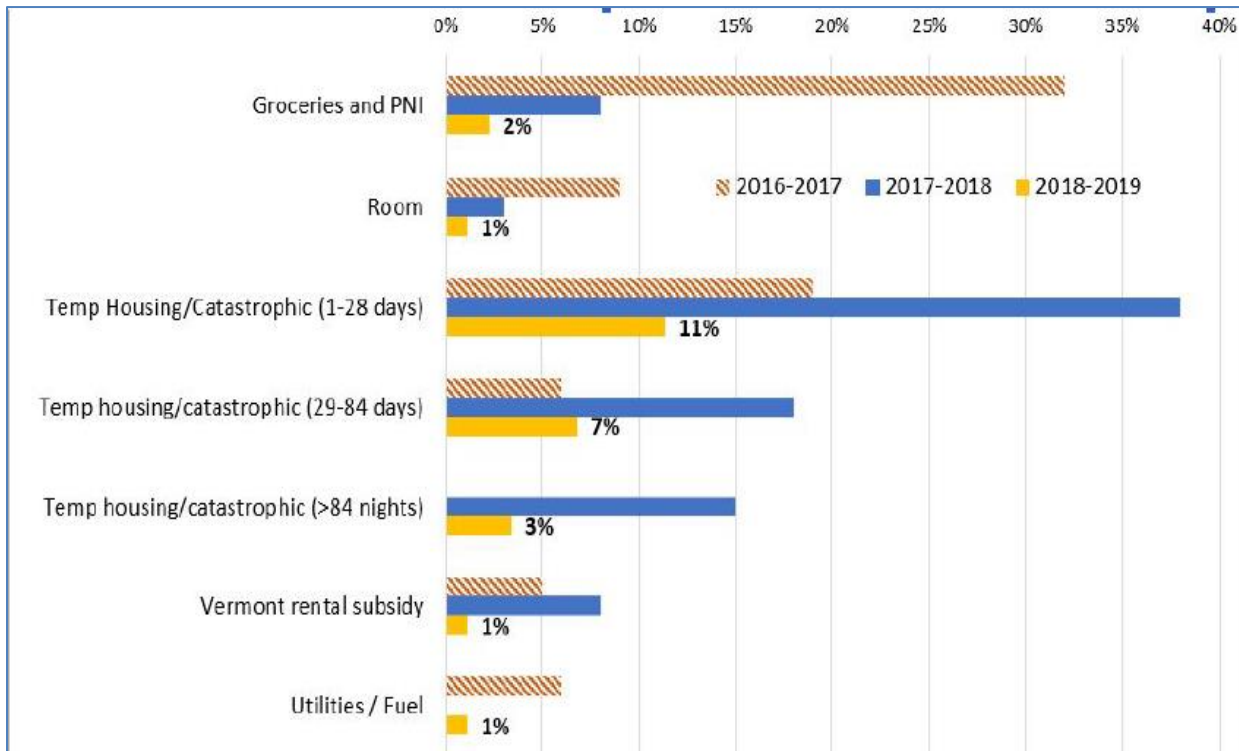
During the 12 months after their forced Reach Up exit, 22 percent of families used the General Assistance (GA) program. This is down from the 30 percent rate of GA use among the time limit leavers a year earlier.

Percentage of families who used General Assistance program (by FFY of forced Reach Up exit)



Getting help with housing continued to be the most common type of GA need among the Reach Up time limit leavers; 84% of the families who used GA during the 12 months after leaving Reach Up used it for housing (temporary housing, rental assistance, room, utilities/fuel). This is about the same as among the time limit leavers during the prior year (82%). Of the other types of GA used, two percent of the families used GA for groceries and personal need items, down from eight percent among forced Reach Up leavers during the prior year.

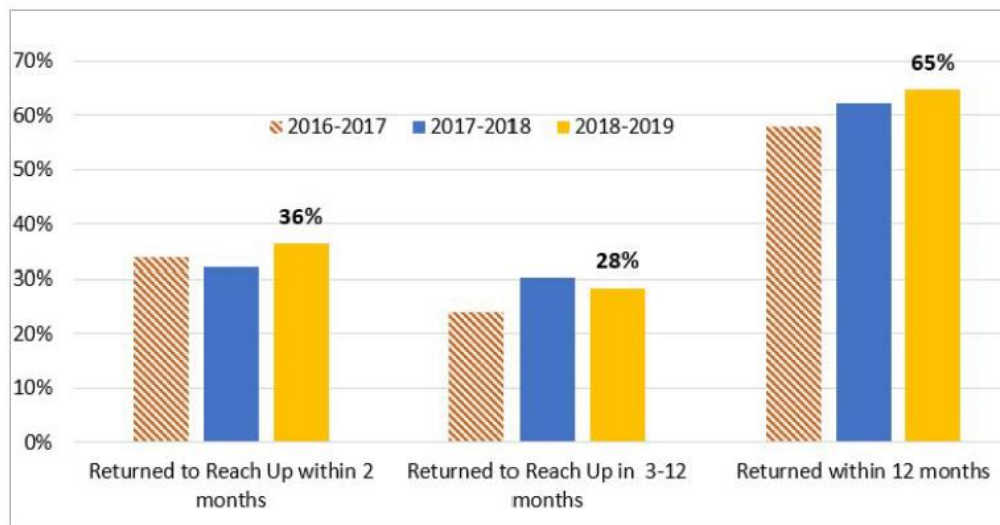
**Percentage of families forced to leave Reach Up who used General Assistance
(by type of assistance and FFY of forced Reach Up exit)**



Many forced leavers later returned to Reach Up

Of all families who left Reach Up due to time limits in FFY 2019, 57 families (65%) returned to the program within 12 months after their exit—about the same as the 62% return rate among leavers during the prior year.

Percentage of families who returned after their forced Reach Up exit (by FFY of forced exit)



Of the FFY19 leaver families, 36 percent returned within the first 2 months of their forced exit, up slightly from the 32 percent early return rate among FFY 2018 leavers.

Section 9: Families Participating in the Post-Secondary Education Program

Families who participate in the Post-Secondary Education (PSE) program must have income below 150% of the Federal Poverty Level. They receive case management services, career planning, and support services to help with student needs such as transportation, books, and childcare. Most families in the PSE program are also eligible for a financial grant to help them pay for basic needs while they are attending college. Eligibility for the PSE financial grant is the same as the Reach Up grant. PSE students work in conjunction with their student advisor and case manager as they pursue their goal of an associate or bachelor's degree.

According to data extracted from ACCESS, an average of 83 students per month participated in the PSE program during FFY20.

ESD does not collect barrier information for PSE students but, from discussions with parents and case managers, we know that PSE students struggle with many of the same obstacles as Reach Up participants such as finding childcare, accessing transportation, affordable housing, and dealing with mental health challenges. In addition to individual obstacles participants face, systemic and statutory barriers prevent the participation of more Vermonters. For example, in a two-parent family, only one parent is currently allowed to participate in the program. This unnecessarily limits the educational attainment of the family. We know that a PSE graduate earns significantly more income than a Reach Up leaver, is more likely to be employed, and returns to Reach Up less frequently²³. If two parents pursued a degree at the same time, this could potentially result in household income *four times higher* than a single parent Reach Up leaver. Additionally, one of the greatest contributors to upward economic mobility is the education level of parents, which in turn leads to better outcomes and higher educational achievement for their children.

Conclusion

In this last year, we have faced unprecedented challenges due to the pandemic. Reach Up responded immediately, by waiving rules and changing practice to serve the needs of as many eligible families as possible. Though the pandemic made for a difficult year, it also gave us the opportunity to expand and further develop the goal achievement model. Building on intrinsic motivation, this model has allowed participants to find success in gradual progressive steps towards employment. We have also seen participants move into employment with wages at higher rates than ever before and Reach Up is once again situated to meet the federal Work Participation Rate.

²³ 2017 Reach Up Leavers, Leslie Black-Plumeau and Robert McIntyre, October 1, 2019