

## **H. 464, Miscellaneous Changes to the Reach Up Program**

As you know, about 20 years ago, Vermont established the Reach Up Program inside of the Department for Children and Families with support from the TANF federal legislation. Reach Up provides many Vermont families with the economic support to help them better meet their basic needs; the employment and job skill training to earn sustaining wages; early childhood care that fosters development during children's formative years; and services that prevent and mitigate childhood stress and trauma.

Our committee was pleased to see that the mission and vision of the Reach Up program has also evolved during this time – the mission being to join families on their journey to overcome obstacles, explore opportunities, improve their finances and reach their goals. With the support of Reach Up's excellent staff and administrators spread throughout Vermont, families will be empowered, connected, and thriving.

It is important that the statute reflect current program practice and for us to modernize the law to be in-line with today's research on best practices. Simplification is key for both the participating families and the program workers.

Before I review the changes made in this bill, I thought I would remind you what it means to be a Reach Up Family today. For example let's take a single mom living in Barre with two young children.

- This family will qualify for Reach Up if there is no more than \$9,000 in monetary assets and no other income except possibly a bit of child support.
- This mom is out of work and having a hard time finding work because she cannot find affordable child care for her children and has no transportation.

- Once she enrolls in Reach Up; she will receive a basic needs allowance for her family of 3 of about \$830 per month. How does the state get to that amount:
  - \$1236 basic needs allowance plus
  - \$ 400 for housing other than Chittenden \$450
  - \$ 90, possibly, for special housing (to help meet the true cost of housing due to difficulty finding housing)
  - \$1726 total, minus the ratable reduction of 49.6%.  
The ratable reduction is a mechanism used by state to budget a specific amount on an annual basis.
  - This leaves a little over \$850 a month for this family of three (NH's monthly benefit is \$1000)
  - This mom will then be matched with a DCF case manager who will help her qualify for other state programs as she works towards finding sustainable work in her future.
  - Medicaid with no premiums or deductibles, some very low prescription co-pays. (goes directly to health providers)
  - 3 Squares/Snap (500 a month) (EBT Card) only food, no sanitary products, no diapers, no paper towels, toilet paper
  - Low Income Heat Energy Assistance Program (100 a month) (goes directly to oil companies)
  - Section 8 Housing vouchers possibly
  - Child Care Financial Assistance Program for my above example of a family of three with an infant and a toddler, this family will receive a full subsidy of \$1100 a month, however child care centers may ask for more if this does not cover their costs. (goes directly to Child Care Providers)
  - None of these benefits are in the form of a cash benefit to the family on receiving Reach UP benefits except for the monthly Reach UP benefit check.

Our committee worked in cooperation with the DCF to update the Reach Up statute, through H.464, in the following ways:

1. Changes the definition of a dependent child to increase the age from 18 to 22 in order to allow youth to remain on the program so long as the dependent child is participating in a full-time school or vocational program. This change will mainly impact children with disabilities and makes the definition consistent with the DCF policy inside of the Family Services Division.
2. Increases the earned income disregard for working parents from \$250 to \$350 per month. In current statute, when a Reach Up participant is able and ready to begin working, families are able to retain \$250 of their earned income along with 25% of their total pay each month without impacting their Reach Up award. The remaining balance then goes to the State to help offset program costs. This section increases the earned income disregard amount to \$350. This allows participants to have more money-in-hand to meet their basic needs and helps them to move off of the program faster. It has been several years since this amount has been increased, and as we saw during the pandemic every small increase has a significant impact on Reach Up families.
3. Increases the Child Support disregard from \$50 to \$100 per month. Federal laws establish that all Reach Up participants must give up their right to receive child support – currently the child support that is paid by the non-custodial parent \$50 is disregarded and has no impact on the Reach Up award of the custodial parent. This amount has not changed in 19 years, although the federal government has updated guidance to allow up to \$100 per child in child support disregard. This legislation increases the child support disregard amount to \$100 per family. The remaining amount of child support then goes to the State to help offset program costs.

4. Removes duplicative processes with regard to medical reviews for work deferments that saves the Department money. (Medical Review Board) (\$130,000 savings)
5. Allowing both participating parent's to achieve higher education. There is no fiscal impact with this change because these families have already been eligible for a Reach Up grant and will instead receive a grant (same amount) under the Post -Secondary Education waiver program. As far as whether there are Reach UP benefits to pay for the Post- Secondary program which could be an Associate's Degree, a Bachelor's degree, a certificate or licensure program or some other sort of technical education there are no Reach UP funds for this, however these families qualify for many of the Vermont Student Assistance Center's (VSAC) grant and loan programs.
6. Edits the language to establish a universal engagement process that focuses on collaborative goal setting updating the Reach UP statue to reflect current practice in the department – truly working with families one on one to understand their goals for a better future.

Some may think we are taking away the work requirement We are NOT taking out the work requirement just renaming it to a Universal Engagement Model where *“Employment Preparation, Readiness and Participation is highlighted* instead of *“Work Requirements”* in order to better reflect the many barriers that Individual Reach Up families face as they prepare to return to work. (Reach Up workers will work with individual families to discuss their individual needs, the myriad of barriers that face families as they all try to not only get back to work but have their needs met so that they can remain at work long term; interestingly, we heard in

testimony that many of these folks had never been asked what their hopes are for the future and then be able to help them one step at a time.)

The universal engagement model approaches work and workforce development as a continuum in which each participating adult who is able to participate will.

These changes have not seemed to have any negative impact on costs and may even be found to reduce costs over time because more families will be ready emotionally and physically to get back to work and to continue working so hopefully they won't need to come back on Reach Up a month or two later. Overall what am I saying in a long drawn out way, DCF is supportive and does not see these changes as increasing costs and these changes have been going on for the past few years already so there is no real change on the ground, it is mostly an update in language.

We heard from the American Public Human Services Association that have been working with many states to reform their federal TANF Programs to be more inclusive and supportive and less punitive in nature.

This model is really about asking people how can we help? What are your goals? What are your dreams? How do we help you get there, one step at a time? For example our committee heard a story that helped me understand what this is truly all about: the welder story...

look I have 3 young children, am alone in this world and live in a tiny apartment – I want to learn to be a welder, I have researched how I can learn this new skill but honestly I don't have a clean counter in my home to practice my work on." So, the case manager arranged to go and help him organize his kitchen so that he had a clean counter with set aside space so that he could begin learning and practicing to become a welder. Today, he

has a good and stable job as a welder and he is proud that his three children are able to see him get up each day and go to work.

H. 464 encompasses significant changes to improve Title 33 / Chapter 11, Vermont's Reach Up statute. After 19 years and the challenges highlighted during the COVID- 19 pandemic, it is important to move the Reach Up Program from a deficit based, compliance oriented approach to a strength based method that focuses on goal achievement while providing support and encouragement when working with families on their individual needs to succeed. The language and tone of the statute is important as this is what legitimizes the work that Reach Up staff do to help families across Vermont. Many families that turn to Reach Up have faced significant trauma in their lives, which makes every small step important in moving forward.

Total Costs: 500,000 for IT updates and between \$284,000 and \$314,000 for the changes.

Appropriations amendment changed the dates to say FY 23 \$500,000 for the upgrades to IT all other sections will take effect on January 1, 2024 except that the Commissioner for Children and Families shall adopt any rules necessary prior to that date in order to perform the Department's duties under this act.

H.464, as amended, passed out of your House Human Services Committee on a vote of 11-0-0

