
**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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Department for Children and Families

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Report Date: January 31, 2022



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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, coaching, 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 coaching as parents pursue a two or four-year higher education degree. These critical programs join approximately 2,234 Vermont parents and caretakers¹ on their journey to enter or re-join the workforce and provide nearly 5,446 Vermont children with household income that helps provide the fundamental building blocks for long term success.

Most data and information in this report, unless stated otherwise, are for the period October 1, 2020 through September 30, 2021 (federal fiscal year 2021). Data reported in Sections 3 (Reach Up leavers’ participation in 3SquaresVT) are for the period July 1, 2020 through June 30, 2021 (state fiscal year 2021). 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 affected all aspects of the Reach Up program over the last year. Despite the myriad of challenges, the sense of community and “we’re all in this together” demonstrated the mission of Reach Up in action: *Reach Up joins families on their journey to overcome obstacles, explore opportunities, improve their finances and reach their goals.* The true spirit of the program was evident as some staff were reassigned or volunteered to help with the pandemic response in many ways. Case managers and community partners shifted work to remote, and then hybrid, all the while ensuring that families stayed connected to the people and resources they needed. The program ensured that additional payments went out to families to help ease the financial burden of the pandemic.

The quick shift to remote contact increased the ability for many families to stay connected. Many case managers reported that families were *more* engaged given the ability to touch base on the phone or through a virtual meeting. Access to virtual meeting space ensured that participants throughout the state could take part in programs such as the self-employment classes offered by the Center for Women in Enterprise and the Vermont MOMS PartnershipTM stress reduction course.

While all families were deferred from the work requirement through September 2021, case managers continued to “join families on their journey,” and work alongside them to set goals and establish the steps necessary to reach those goals. Case managers attended additional training in the Goal, Plan, Do, Review/Revise evidence-based practice.

Common systemic barriers to employment remain, particularly in housing, transportation, and child care. This past year, Reach Up provided additional supports for housing and transportation, in part due to additional COVID funding. Despite these challenges, families who are becoming employed are obtaining positions with higher wages than ever before.

Families enrolled in Reach Up continue to move forward in setting goals, obtaining employment, pursuing degrees, and addressing their own and their families’ well-being. Likewise, the program has added additional opportunities for families, and continues to improve in ways that reflect the latest research and best practice in the field.

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 1,227 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.

Introduction

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 2021

Center for Women & Enterprise Partnership with Reach Up

Center for Women & Enterprise (CWE) is an inclusive economic empowerment organization that helps women who are business owners and aspiring entrepreneurs launch and grow a business by providing greater access to the resources, tools, and support they need. CWE has partnered with the Reach Up Program, and they offered 2 business course opportunities for Reach Up participants. One course was a Business Plan Basics which was open for anyone on Reach Up who was interested in what goes into a business plan including why one would need a business plan, overview of each section of a business plan, research and writing tips and resources for help and support. This class was an hour and a half long and 8 Reach Up participants attended it.

The second course was a 10-week cohort, 3 hours per week which focused on business visioning exercise to help determine what each participant wanted their business to look like. Participants build definition and clarity around their business concept by exploring the challenges and rewards of self-employment, clarifying their business concepts, identify their short- and long-term goals, discovering the inner-workings of starting a business and inspiring and being inspired by fellow entrepreneurs. 7 Reach Up participants have successfully completed the course and provided a wonderful presentation of their goals to CWE leaders, Reach Up Staff, DCF leaders and fellow entrepreneurs.

Benefit Increase

Over 3,300 families participating in the Reach Up Program received a benefit increase to their monthly cash grant when the basic need standard changed from the 2009 standard to the 2019 standard on August 1st, 2021. The average sized family of three received a benefit increase of approximately \$111 per month. This means a family of three outside of Chittenden County with no other income increased from \$699 to \$811. Also, the \$77 in SSI income no longer counts as income for families with a parent receiving SSI. If a parent is receiving SSI, they receive an additional \$77 in their grant each month starting August 1st, 2021.

Reach Up Emergency Rental Assistance (RUERA)

The Reach Up Emergency Rental Assistance (RUERA) program rolled out in April 2021. Vermont received federal funds under the Consolidated Appropriations Act of 2021 and again under the American Rescue Plan Act of 2021 in response to the Coronavirus Pandemic and earmarked some of those funds to RUERA. The purpose of the RUERA program is to assist families who receive Reach Up benefits pay their rent and remain in their homes. Families who are eligible for RUERA have experienced financial hardship and housing instability, directly or indirectly, due to COVID-19 and the RUERA payments help stabilize their housing and allow them to focus on meeting their other needs. Most payments are made directly to the family's landlord.

Between April 2021 and November 2021 RUERA paid out \$5,632,013.35 in rental assistance payments. 1,588 unique households have been served by RUERA through 11/30/21. The program is currently issuing about 1,300 payments each month. Households may receive a total of 18 months of RUERA

payments, whether these are payments made to cover rental arrears or current/ongoing rent. Funding is anticipated to be available through September 2025, though most families who have already had payments made on their behalf, will reach the 18-month maximum sometime during 2022.

RUERA is administered out of the Reach Up Central Office but relies on strong relationships with the Reach Up District Case Managers and Supervisors for outreach and coordination with tenants receiving Reach Up and their landlords. The RUERA team also works closely with Vermont State Housing Authority (VSHA) and the Department of Public Service (PSD) who are administering other aspects of the Emergency Rental Assistance program (VERAP).

More Families Enrolled in Reach Up Experienced the Benefit of Car Ownership

During the last year, Reach Up purchased 89 cars for families throughout Vermont participating in Reach Up, PSE, and Reach Ahead. This was an increase from the 65 cars typically purchased per year.

- **A 3-Way public-private collaboration provided families with additional vehicles this year.** In June 2021, the Reach Up program, Good News Garage, and Buildings and General Services (BGS) teamed up to provide 16 additional cars to Vermont families enrolled in the Reach Up program.
- **Reach Up purchased 8 additional cars through the contract with Good News Garage.** Shifting a small amount of funding within the support service budget allowed the program to help 8 additional families realize car ownership.

Reach Up Response to COVID-19

- **Case managers and eligibility staff continued work remotely** for most of the year, and many case managers began to see families in person when the families desired. Case managers continue to maintain contact with participants through email, text, phone, FaceTime, and Microsoft Teams meetings. Central office staff supported this shift to remote work through various trainings and office hours to help build skills for using technology to interact with families. When possible, ESD helped participants access technology, including but not limited to computers, to be able to participate in virtual support.
- **Pandemic Emergency Assistance Funds (PEAF) and Back to School payments:** The federal government authorized funding called the Pandemic Emergency Assistance Funds (PEAF) to all TANF programs to use as a non-recurrent benefit for families. Reach Up used these funds to send a back to school, one-time, per-child payment to families enrolled in the program. All children under 18 whose families were enrolled in Reach Up in August 2021 were eligible for this payment. Each child received \$304.35 and about 3,026 households received a check.
- **Additional cash payments:** Between October 2020 and November 2021, three CRF payments for 1.3 million dollars each were authorized and issued to families enrolled in Reach Up who experienced increased costs due to COVID-19. The first CRF payment was issued to about 3,378 households for \$432.50/family. The second CRF payment was issued to about 3,343 households for \$391/family. The third payment was issued to about 3,462 households for \$375/family.

- **Families Participating in Reach Up Also Received the 3SVT CRF Payment.**

In December 2020, the 3SquaresVT program issued checks to cover increased food costs. 1,620 families enrolled in Reach Up received this additional check.²

Goal Plan Do Review/Revise – an Evidence Based Approach

During the Fall of 2021, over 80 Reach Up staff including Case Managers, Supervisors, Employment Staff, and Mental Health partners participated in a training series on Goal, Plan, Do, Review/ Revise (GPDR/R). The series spanned over 14 weeks, 2 hours per week of engaging training and reflective booster sessions. The GPDR/R method was developed by renowned TANF expert, Dr. LaDonna Pavetti, Vice President for Family Income Support Policy at the Center for Budget and Policy priorities. Dr. Pavetti teamed up with Dr. Nicole Bossard, President of TGC Consulting, to create and deliver an interactive training on the GPDR/R method of coaching participants. The Reach Up program is committed to GPDR/R as the science and evidence-based process used to join participants on their journey to reach their goals.

Professional Development Advisory Group

The Reach Up Professional Development Advisory Group was formed this year to identify priorities and develop a Reach Up Professional Development Plan. The group is comprised of Case Managers, Supervisors, Central Office staff, Operations, and the ESD Training Unit. The work of the group is grounded in the Reach Up mission and vision, with the overarching goal of reducing intergenerational poverty in Vermont. The GPDR/R framework was the top priority for professional development. As the GPDR/R training concludes, the group is identifying other professional development resources to maintain and enhance the use of the Goal Achievement model while exploring professional development needs on other areas including Coaching, Behavioral Economics, Two Generation Approach, Trauma Informed Care, and Strengths Based Practice.

Mental health Outreach for MotherS (MOMS) Partnership® Research Year Completed

During the last year, the Reach Up program and Yale University wrapped up a year of research conducted on the Vermont MOMS Partnership™. Nearly 100 mothers and female caregivers enrolled in Reach Up from the Burlington, Middlebury, and St. Albans district offices participated in the stress reduction course, which was co-facilitated by a mom with lived experience and a mental health clinician. The preliminary results showed the following statistically significant outcomes:

- decrease in depression and anxiety
- decrease in stress
- increase in social connections and support

Currently the Reach Up program is working to expand the Vermont MOMS Partnership™ to other areas of the state, starting with Bennington and Rutland.

² Not all families enrolled in Reach Up received the check from 3SquaresVT, because it was intended to reach households who had not previously benefited from the additional P-EBT benefits. The P-EBT benefits maximized the 3SquaresVT benefit for households that were previously not receiving the maximum benefit amount.

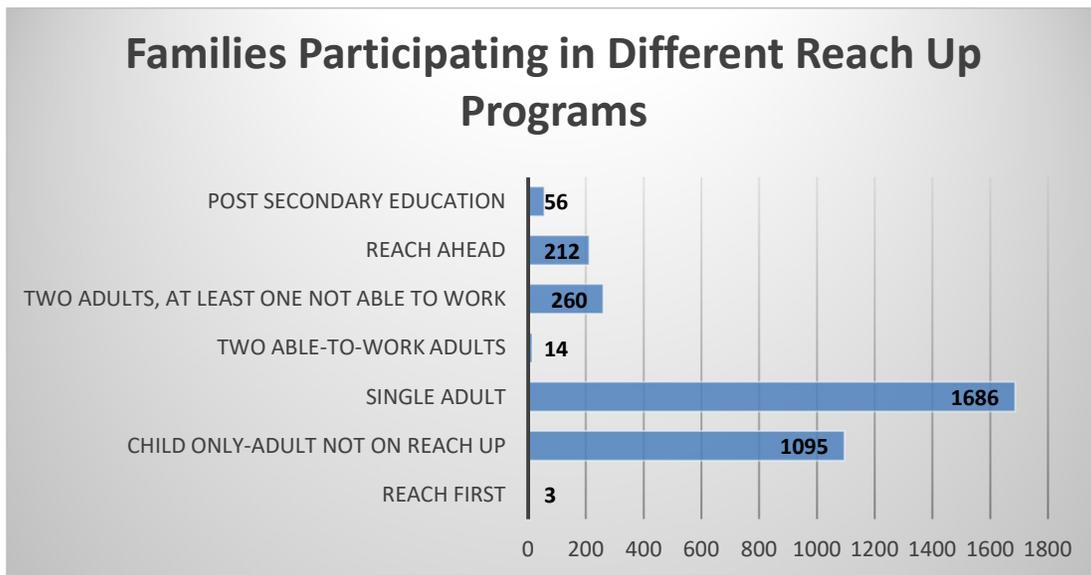
Section 1: Participant Barriers

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 to 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 two following 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 represent the average monthly numbers for the period of October 2020 through September 2021:



Average Number of Adults Participating in Reach Up Each Month	
Child Only (Adult not on Reach Up)	0
Single Adult	1,686
Two Able-To-Work Adults	28
Two Adults, At Least One Not Able to Work	520
Total Adults	2,234
** (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. This enables case managers to connect participants with community resources, and work with families on setting goals that will address those barriers. Data are collected in several ways. Case managers enter data into the Family Support Matrix in the ACCESS system as changes occur in the participants' situations.

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

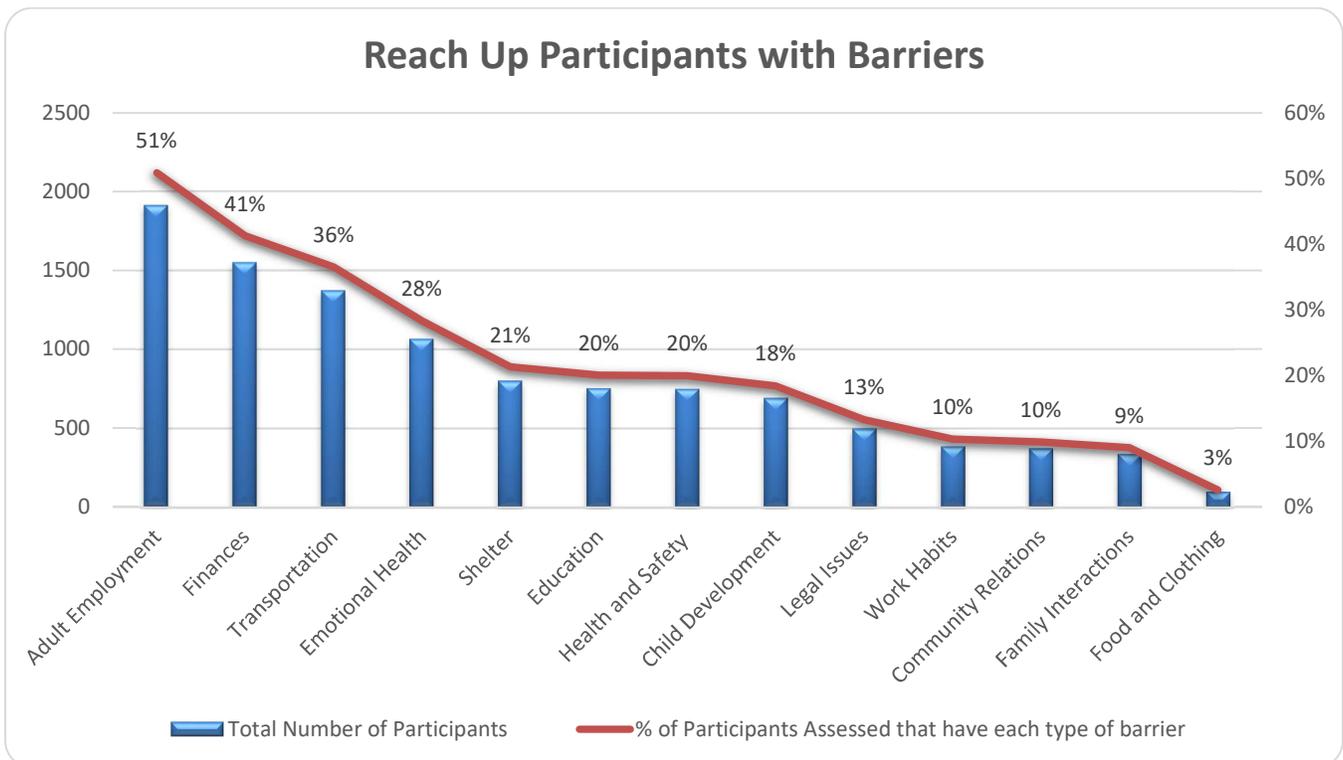
- **Availability and affordability of child care** – Reach Up provides a full child care subsidy for participating families. It also offers a deferment for parents to delay the work requirement to care for their children under age two. However, the availability of child care (especially for children under age two) and required copayment (commonly \$25-\$50 per child, per week) continue to present challenges for parents trying to enter the workforce.
- **Housing** – The severe housing shortage in Vermont, in addition to housing costs that continue to rise, particularly affects families enrolled in Reach Up. Within the last two years, the number of families in subsidized housing³ has increased from 25% to nearly 40%. This is critical as the Reach Up grant is not high enough to cover market rent in most Vermont towns. Additionally, the Reach Up program received temporary federal funds through the Emergency Rental Assistance Program (ERAP) to create the Reach Up Emergency Rental Assistance (RUERA) program. These funds cover rent costs for most tenants enrolled in Reach Up for up to 18 months. RUERA is time-limited, and the families who are left searching for housing compete with those who can afford market rents, which are often higher than the limits HUD allows for voucher use. A limited number of families enrolled in Reach Up may also access the Vermont Rental Subsidy. Case managers and community partners help families find housing under these challenging circumstances, and their efforts do make a difference. This is demonstrated by the dramatic increase in accessing subsidized housing.
- **Work skills and experience** – Most Reach Up participants still move into low-wage work, however, wages are increasing. Reach Up contracts with Vermont Adult Learning, Parent Child Centers, and the Vermont Association of Business Industry and Rehabilitation (VABIR) to provide job coaches and employment, training, and education specialists. Specialists work with participants in setting goals that focus on matching participants with jobs that are meaningful to them, increasing their education with training or college, and focusing on career pathways and increasing income.
- **Transportation** – The number of participants experiencing this barrier increased for the first time in several years in 2020, from 29% in 2019 to 32% in 2020. Unfortunately, it increased again in 2021, rising to 36%. Reach Up purchases vehicles to support working families each year, provides rides for those with no transportation through the Good News Garage 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, and include job loss, missed medical appointments, fewer opportunities for social connections and children's activities, and difficulty getting household tasks 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, Addison, Grand Isle, and Franklin Counties can participate in the Vermont MOMS PartnershipSM, a program that addresses maternal depression with proven results in improving employment outcomes and reducing depressive

³ Section 8, Vermont Rental Subsidy, or project-based subsidized housing

symptoms. Not surprisingly, the number of participants experiencing emotional health barriers increased to 28% in 2021, up from 24% in 2020.

- Finances** – Reach Up benefits increased in August 2021. Pilots such as the Financial Empowerment program, which enable families to build assets with incentives and learn about their finances at the same time, provide a crucial income boost for very low-income families. These families still live in a constant state of scarcity since the Reach Up grant doesn't keep up with inflation and the actual cost of living. Last year, 200 participants participated in the Financial Empowerment program from Burlington, St. Albans, Barre and Morrisville.

The chart below illustrates the percentage of Reach Up participants assessed as having specified barriers. The case manager enters the results of assessment into ACCESS, from which the following data is extracted. During the period from October 2020 to September 2021, case managers assessed 3,754 participants and found 10,571 barriers, an average of 2.8 barriers per participant. The average number of barriers per participant slowly increased between 2012 (average of 2.2 barriers per participant) and 2021, when the average number of barriers per participant was 2.8. This past year notable improvements in adult employment and finances continued. In 2019, 62% of participants reported obstacles related to adult employment; two years later that percentage decreased to 51%. Likewise, the percentage of participants reporting finances as a barrier decreased from 49% to 41%.



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

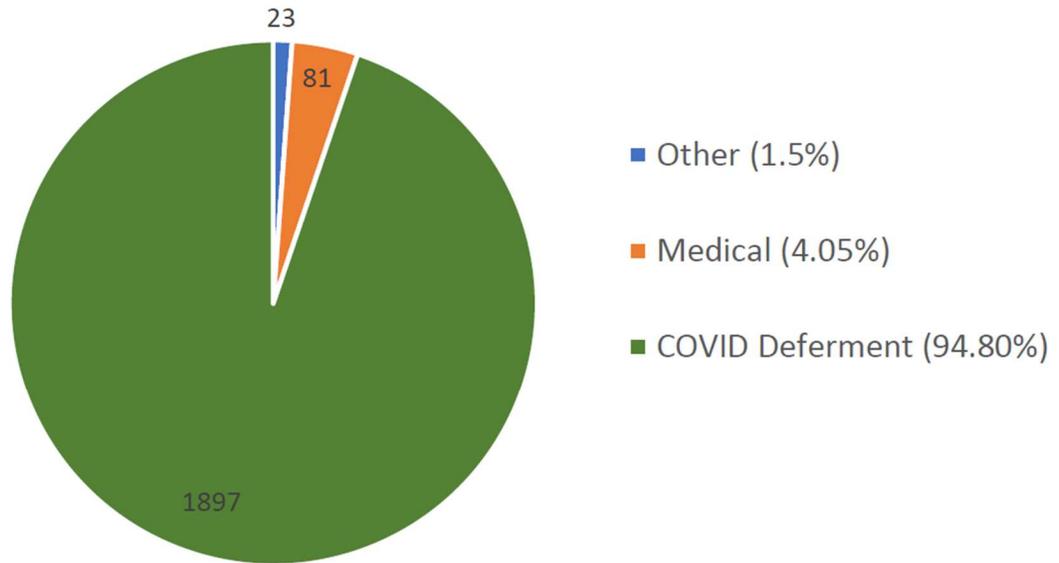
To help mitigate these obstacles, Reach Up provides incentives and support services designed to help families reach their employment, training and education goals. Support services improve participants’ prospects for employment and job retention. The need for support services is determined during assessment,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

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. Through September 30, 2021, due to COVID-19, everyone on the caseload was deferred from the work requirement during the pandemic months. This allowed the Department to not “count” those months towards the time limit. The decision to defer all participants due to the extraordinary challenges families were facing gave families additional bandwidth to adequately address these challenges. Participants were still expected to engage in the program, set goals, and make progress towards those goals. Figures in the chart below represent the deferment status of adults with a work requirement.⁴

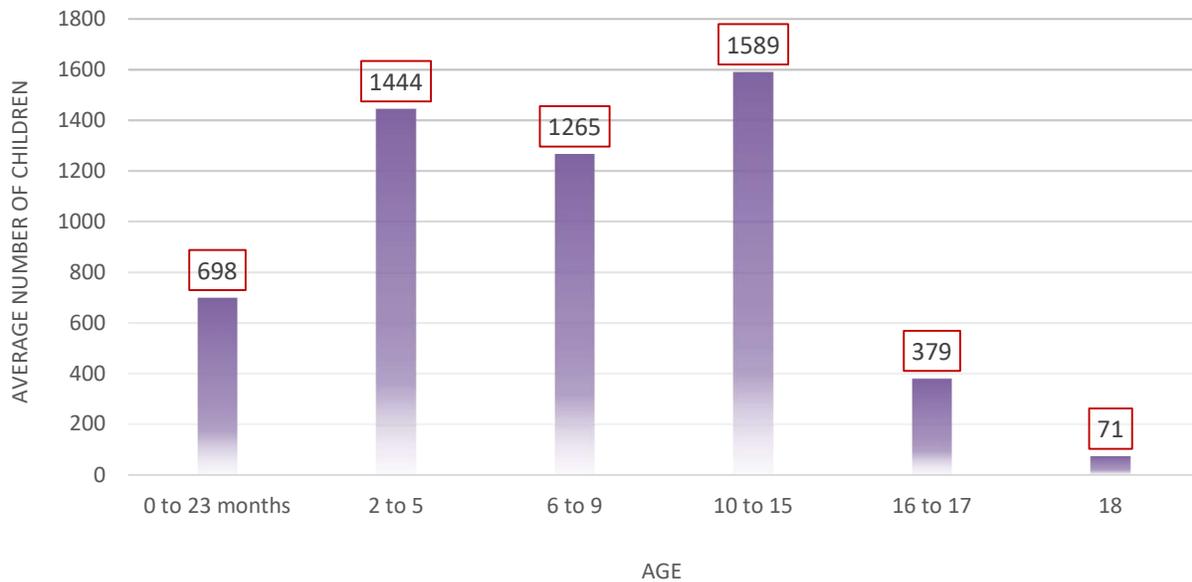
⁴ The deferment percentages reflect an entire year, pre- and post-pandemic. Thus, they look very different than previous years, since for the majority of 2020 (but not all), all participants were deferred from the work requirement.

Families with Deferments



*October 1, 2020- September 30, 2021

AGES OF CHILDREN IN FAMILIES ENROLLED IN REACH UP



*October 1, 2020- September 30, 2021

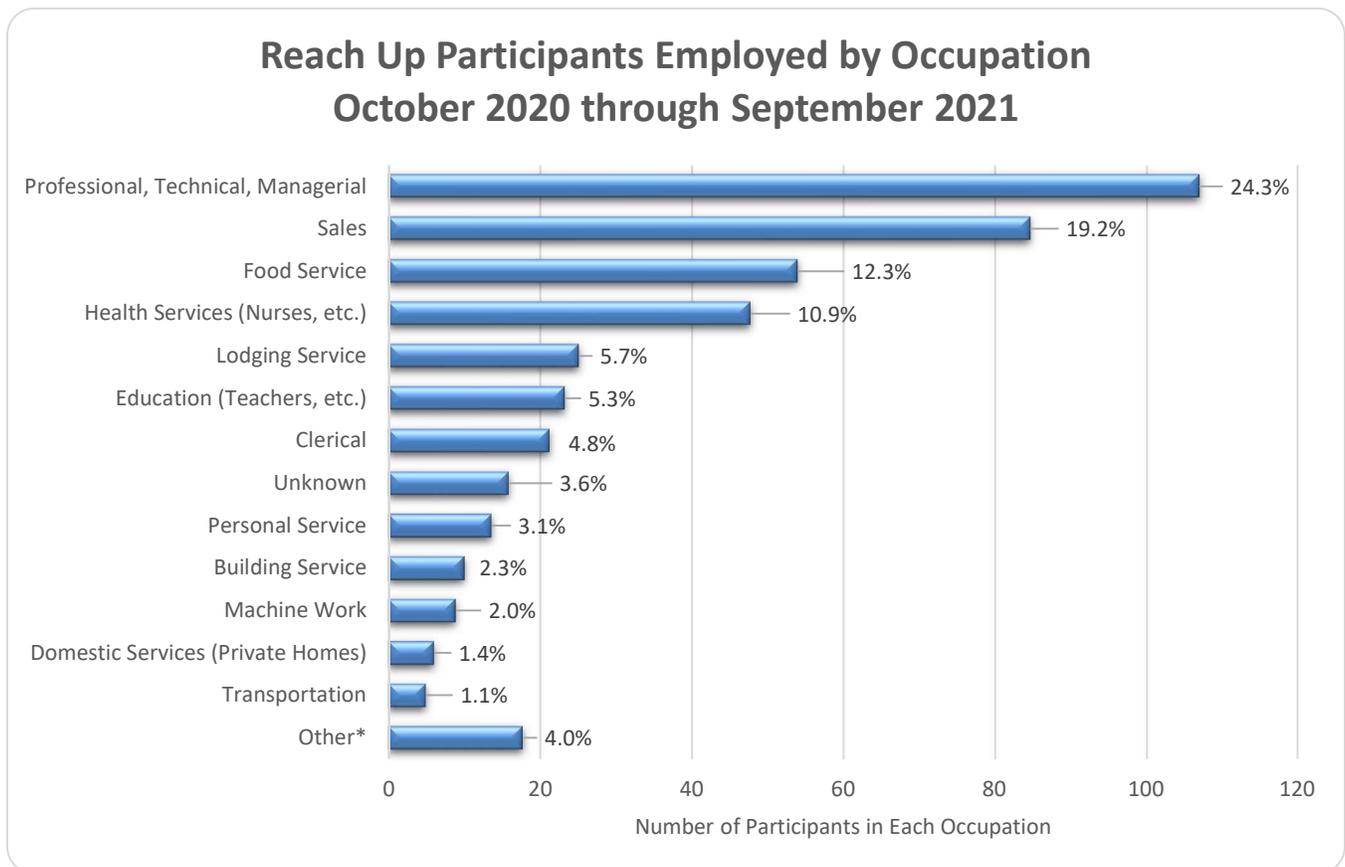
The above chart illustrates the ages for a monthly average of 5,446 children who received Reach Up assistance from October 2020 through September 2021. Approximately 39% are under age 6, a critical time in child development; 61% are age 6 or over.

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 2020 through September 2021. 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 440 Reach Up and Reach Ahead participants per month who are working. Of the 440 participants, 207 are in the Reach Ahead program. Within Reach Up, 233 are working; this figure demonstrates that 11% of adults in Reach Up work while remaining eligible for the program.



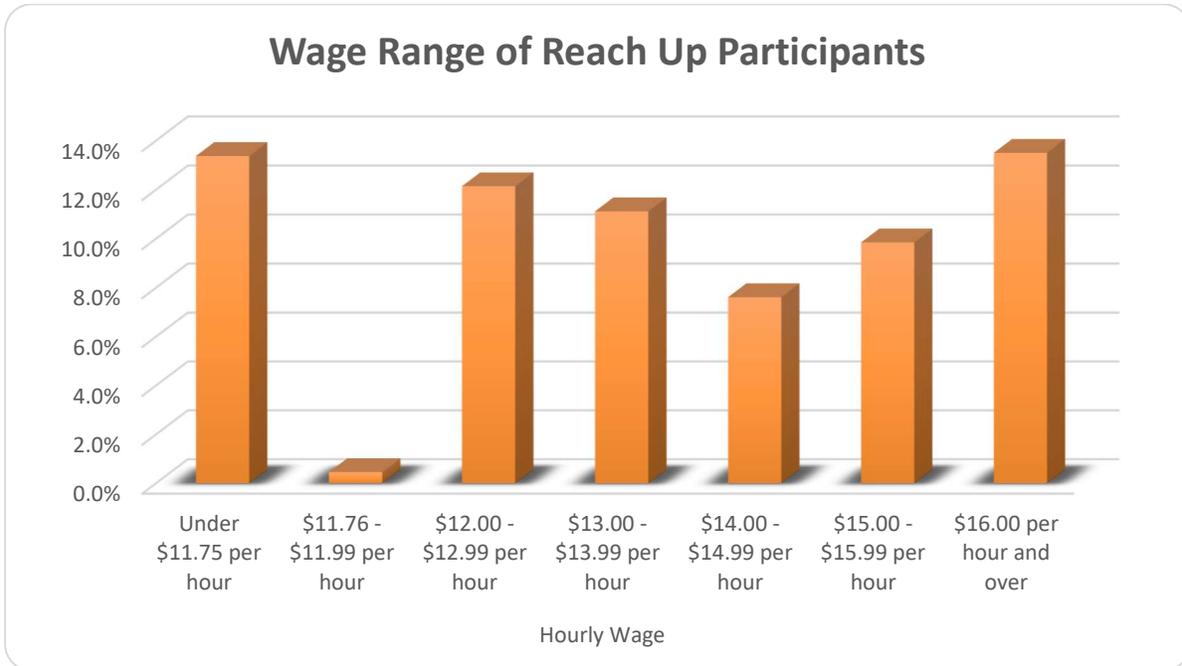
Reach Up Participants Employed By Occupation October 2020 through September 2021		
Occupation	Average Number of Participants	Percentage in Each Occupation
Other*	18	4.0%
Transportation	5	1.1%
Domestic Services (Private Homes)	6	1.4%
Machine Work	9	2.0%
Building Service	10	2.3%
Personal Service	14	3.1%
Unknown	16	3.6%
Clerical	21	4.8%
Education (Teachers, etc.)	23	5.3%
Lodging Service	25	5.7%
Health Services (Nurses, etc.)	48	10.9%
Food Service	54	12.3%
Sales	85	19.2%
Professional, Technical, Managerial	107	24.3%
Total Participants Employed	440	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 2020 through September 2021		
Industry	Percentage in Each Industry	Average Number of Participants
Services	56.2%	247
Retail Trade	9.7%	43
Transportation & Public Utilities	7.9%	35
Government	2.1%	9
Manufacturing	2.1%	9
Construction	1.2%	5
Agric/Forestry/Fishing/Mining	0.8%	3
Wholesale Trade	0.4%	2
Finance/Insurance/Real Estate	0.4%	2
Other/Unknown	19.4%	85
Total Participants Employed		440

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 \$11.75 per hour, Vermont's 2021 minimum wage. The percentage of participants making at least \$12 per hour has more than doubled in the last five years: from 25% to 54% in 2021. Most notably, the number of participants earning at least \$15 per hour

increased every year in the last three years, from 8.7% in 2018, to 15.6% in 2020, to **23.3% in 2021**. This year, a higher earnings bracket was added to the chart, with 13.5% of earners making more than \$16 per hour.



Reach Up Participants By Wage Range October 2020 through September 2021		
Wage	Percentage in Wage Range	Average Number of Participants
Under \$11.75 per hour	13.4%	59
\$11.76 - \$11.99 per hour	0.5%	2
\$12.00 - \$12.99 per hour	12.1%	53
\$13.00 - \$13.99 per hour	11.1%	49
\$14.00 - \$14.99 per hour	7.6%	34
\$15.00 - \$15.99 per hour	9.8%	43
\$16.00 per hour and over	13.5%	59
Unknown	27.8%	122
Average Participants Employed Per Month		440

Adults Participating in Training and Education Programs

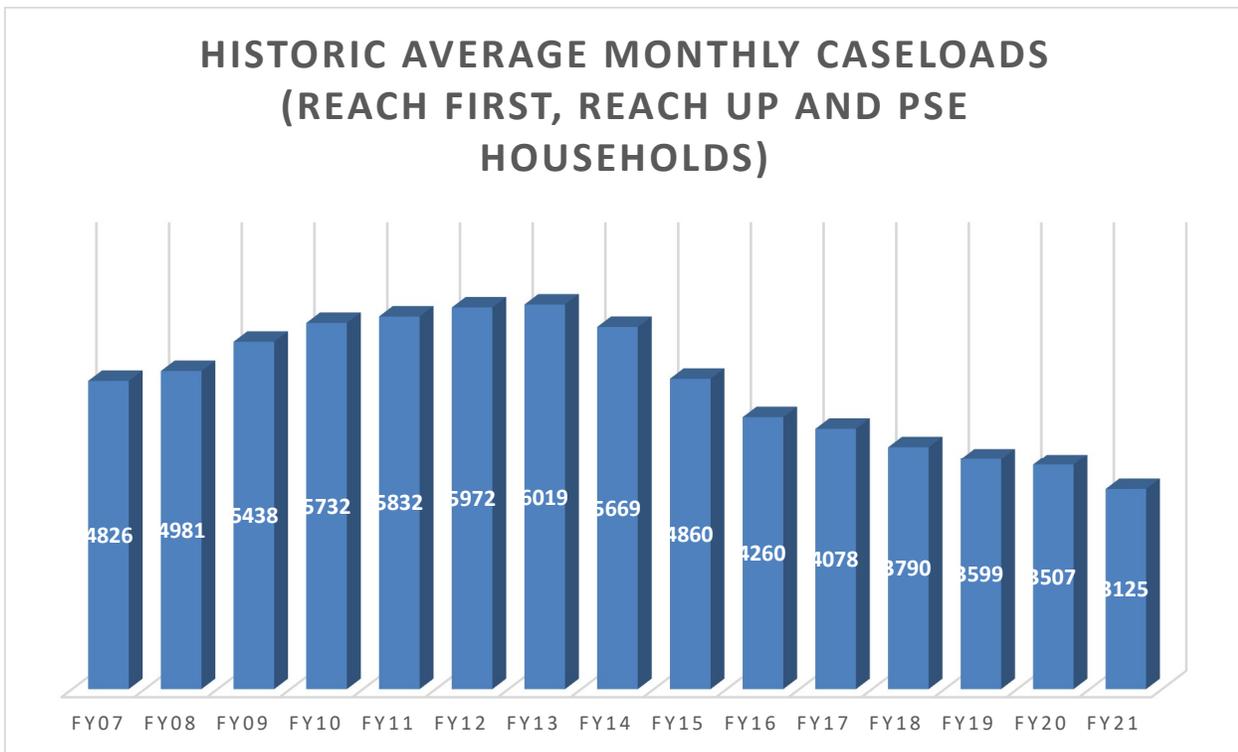
Some participants may take part in short-term training and education programs. Participants in Reach Up who need work experience may be placed in supported work experiences and community service placements where they do not earn wages. Participation in unpaid work placements has decreased due to the pandemic and the best-practice shift towards training, education, and work that is meaningful and sustainable for the long term.⁵ The number of participants engaged in training programs actually **increased** slightly over the last year. These participants are included in the table below:

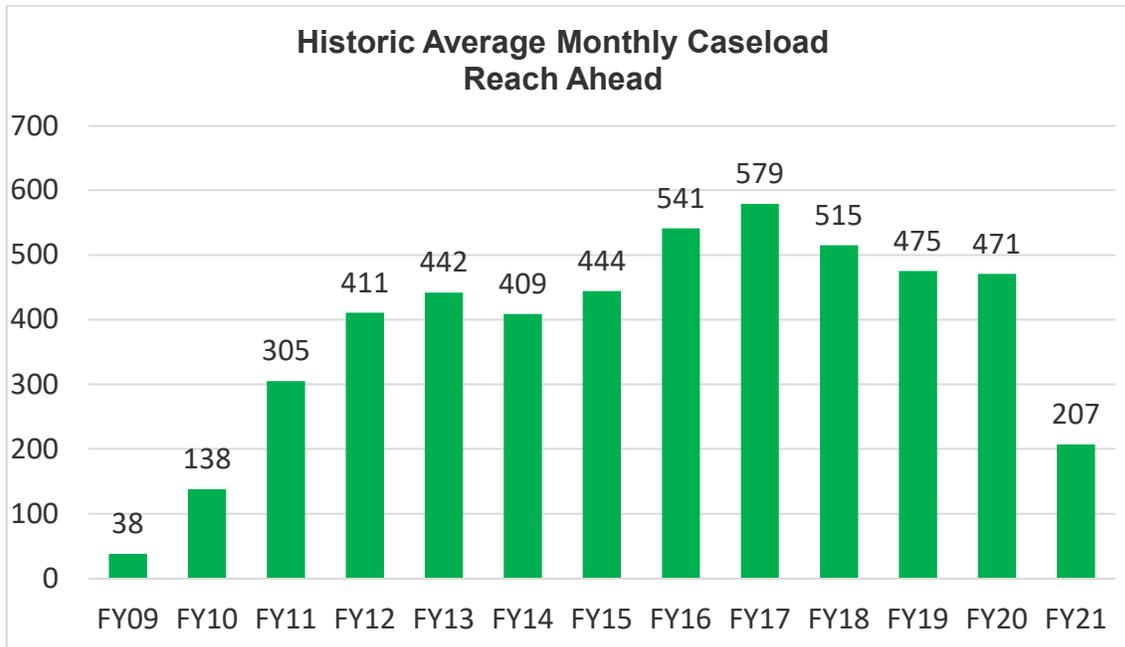
⁵ “TANF Improvements Needed to Help Parents Find Better Work and Benefit From an Equitable Recovery,” Laura Meyer and LaDonna Pavetti, PH.D, Center for Budget and Policy [Priorities](#)

Parents Participating in Training and Education Programs October 2020 through Sept 2021	
Activity Type	Average Number of Participants
Work Experience	4
On-the-Job Training	0
Vocational Education	28
Job Skills Training	5
Education Related to Employment	2
Satisfactory School Attendance	15
Average Participants per Month:	54

Historic Caseloads

Data in the following chart represents the average monthly number of families for each state fiscal year from 2007 to present. 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 several factors: improved economic conditions, the joint work between case managers and participants to achieve family goals, and time limits, which closed a family’s Reach Up benefits if the parents did not participate in program requirements. The COVID-19 pandemic created uncertainty regarding the Reach Up caseload. During the pandemic many families were able to access the unemployment benefits, which made them ineligible for Reach Up. In the last year, the Reach Ahead caseload decreased by half.





Section 3: 3SquaresVT Participation of Reach Up Leavers

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2021. An average of 1,396 families left Reach Up each quarter; an average of 1,201 or 86% of these families were still off Reach Up 4 months later. When they left Reach Up, 87% of these families were receiving 3SquaresVT benefits; 4 months later, 63% still received 3SquaresVT.

	Quarter Ending Sep '20	Quarter Ending Dec '20	Quarter Ending Mar '21	Quarter Ending Jun '21	Average
1. Total number of individuals who left Reach Up	1,689	1,392	1,417	1,086	1,396
2. Those in #1 who were not receiving Reach Up in the 4th month after leaving Reach Up	1,458 86%	1,220 88%	1,237 87%	888 82%	1,201 86%
3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving Reach Up	1,291 89%	1,053 86%	1,098 89%	755 85%	1,049 87%
4. Those in #3 who were also enrolled in 3SquaresVT in the 4th month after leaving Reach Up	832 64%	684 65%	685 62%	455 60%	664 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.⁶

Section 5: Summary of Reports by Contractors

No reports were submitted by contractors in state or federal fiscal year 2021.

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.⁷ A large part of the work case managers and families do to progress towards financial stability involves addressing multiple, complex barriers to employment which are 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 do not include participating in education in most circumstances, addressing mental health and substance use, or working on finding child care and transportation. 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 two factors: declines in the state’s caseload due to employment during the prior Federal Fiscal Year (FFY), and state spending in excess of the federally required Maintenance of Effort (MOE) funds. 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 charts below illustrate Vermont’s estimated participation rates as calculated, but not yet finalized, by the ACF, in addition to the Caseload Reduction Credit which is added to the rates in the first chart to determine the Work Participation Rate:

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

⁷ Further federal limitations on hours of participation and the age of participants in certain activities exist.

TANF Work Participation Rates Federal Fiscal Year 2021⁸

	All Families	2-Parent Families
1 st quarter	35.8%	86.1%
2 nd quarter	34.2%	76.9%
3 rd quarter	37.6%	85.7%
4 th quarter	33.8%	71.1%
Average [1]	35.4%	80.0%

Caseload Reduction Credit (CRC)⁹

	All Families	2-Parent Families
Credit Submitted to ACF	47.9%	58.0%

Adding the CRC to the participation rates in the first table results in an **83.3% All Families rate** and a **100% Two-Parent rate**. Vermont is on-track to meet the 2021 Work Participation Rate for both All-Families and Two-Parent rates.

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

Basic Needs and Housing Allowances

The Department combines two “standards” to determine Reach Up benefit amounts: a “basic needs standard” based on the Consumer Price Index that includes the cost of living considered essential to all individuals, and a “housing allowance” that is based on what participants report paying for their housing. These costs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special housing needs. The basic needs standard increases according to household size from \$644 per month for a household of one, to \$2458 per month for a household of eight. Currently, the Department uses the basic needs standard from 2019 and a housing allowance from 2001 to determine benefit amounts. Each year the Department reports a comparison between the existing basic needs standard (2019) and the housing allowance (2001), and the current basic needs standard and housing allowance (both 2021). DCF makes the current 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 using current basic needs and housing allowance. 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 2019.

The charts below illustrate the current basic needs for families of one to eight members; basic needs if adjusted in December 2021 for the cost-of-living increase; current housing costs; and housing costs if adjusted.

⁸ The Work Participation Rates are submitted quarterly to ACF. However, the final calculations have not been finalized and released.

⁹ The caseload reduction rates are the rates submitted to ACF in December 2021. Vermont is waiting for confirmation of the caseload reduction rates.

Basic Needs and Housing Allowance

Family Size	Existing Basic Needs – 2019 Standards (Last changed Aug 2021)	Basic needs if adjusted to annual cost-of-living increase (Dec 2021)
1	\$644	\$689
2	\$942	\$1,007
3	\$1,236	\$1,321
4	\$1,478	\$1,580
5	\$1,733	\$1,853
6	\$1,907	\$2,039
7	\$2,203	\$2,355
8	\$2,458	\$2,628
Each additional person	\$236	\$252

Housing Allowances ¹⁰	Existing Housing Allowance (Last changed Oct 2001)	Housing allowance if adjusted to annual median cost (Dec 2019)
Chittenden County	\$450	\$734
Outside Chittenden County	\$400	\$619

Current Maximum Grants

As mentioned in the “Highlights” section of this report, the Reach Up grant amount changed in August 2021. The chart below shows the maximum grants for families of one to four members. Grants in Chittenden County are slightly higher due to a history of higher shelter costs and a higher housing allowance. All families with out-of-pocket shelter costs more than maximum allowances may receive up to \$45 more in their grant as a special needs housing allowance. The chart below illustrates maximum grants including the \$45 special needs housing allowance.

Family Size	Outside Chittenden County	Chittenden County
1	\$562	\$587
2	\$710	\$735
3	\$856	\$880
4	\$976	\$1000

¹⁰ Based on what participants report they pay for housing.

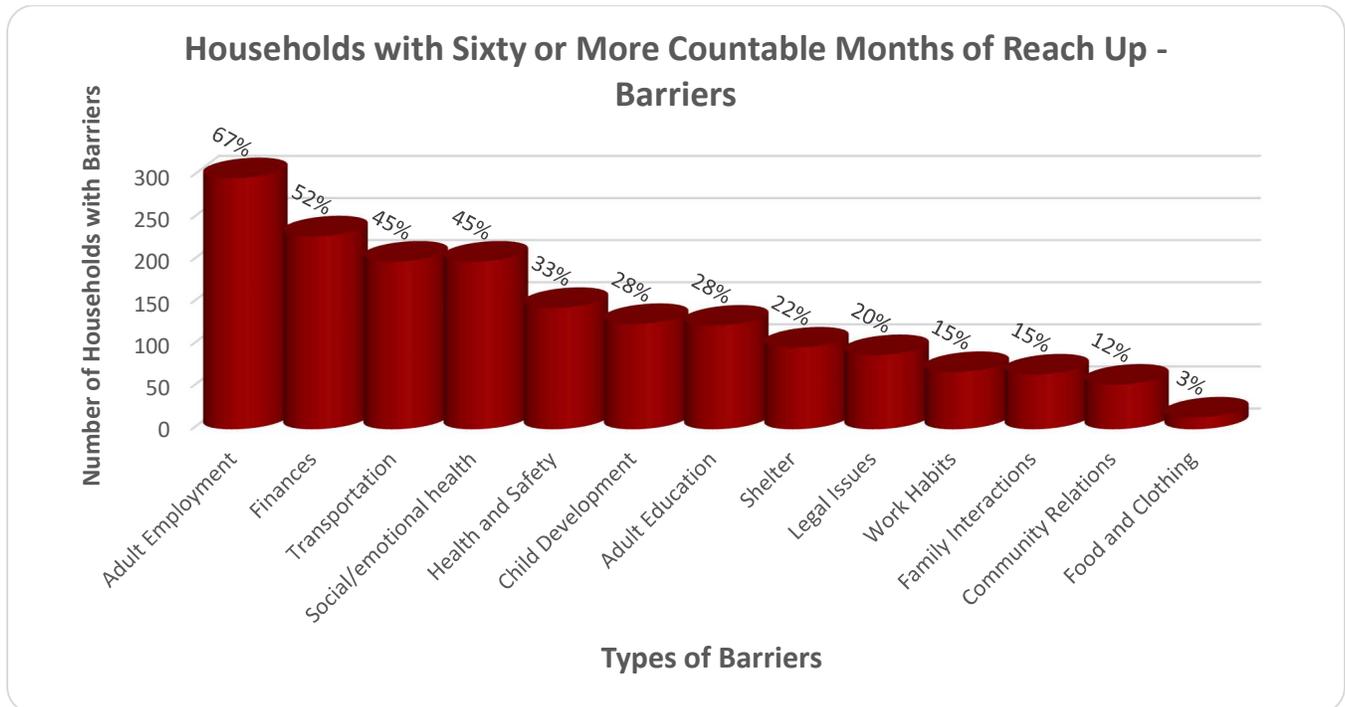
Section 8: Profiles of Families with 60 Countable Months of Reach Up

During the last fiscal year, there were 310 average monthly cases at the 60-month limit. This is slightly lower than last year’s average of 319.

Families in this population face significantly higher rates of common barriers than those in the overall Reach Up population, with an average of 4.8 barriers per household, a slight increase from the number of barriers per household last year. The general Reach Up population faces 2.8 barriers per household. The most significant barrier is adult employment in both groups. However, 67% of families who have received at least 60 months of assistance present with poor or no work history or no employment opportunities, compared to 51% of the overall Reach Up population. The good news is this percentage is dropping in both demographics, with the largest decrease in the time limits group, which went from 75% experiencing this barrier in 2020, to 67% in 2021.

Additional comparisons include:

Barrier	Overall Reach Up Population	60 Month Population
Emotional Health	28%	45%
Health and Safety	20%	33%
Transportation	36%	45%



An in-depth look at time limit leavers¹¹

Between October 2019 and September 2020 (FFY 2020), there were 40 instances of families leaving Reach Up due to time limits, according to data provided by DCF. 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 exit from Reach Up.

Some families had multiple instances of exiting due to exhaustion of the time limits in FFY 2020 because they left, returned to Reach Up and then left again within this period. For this reason, the number of unique families who exited Reach Up due to time limits during this period was 31, down 65% from 88 a year earlier. This was a dramatically greater decline than in prior years due largely to the effect of the onset of the COVID-19 pandemic on the Reach Up program. During each month between March and September 2020, few or no families exited Reach Up due to time limits

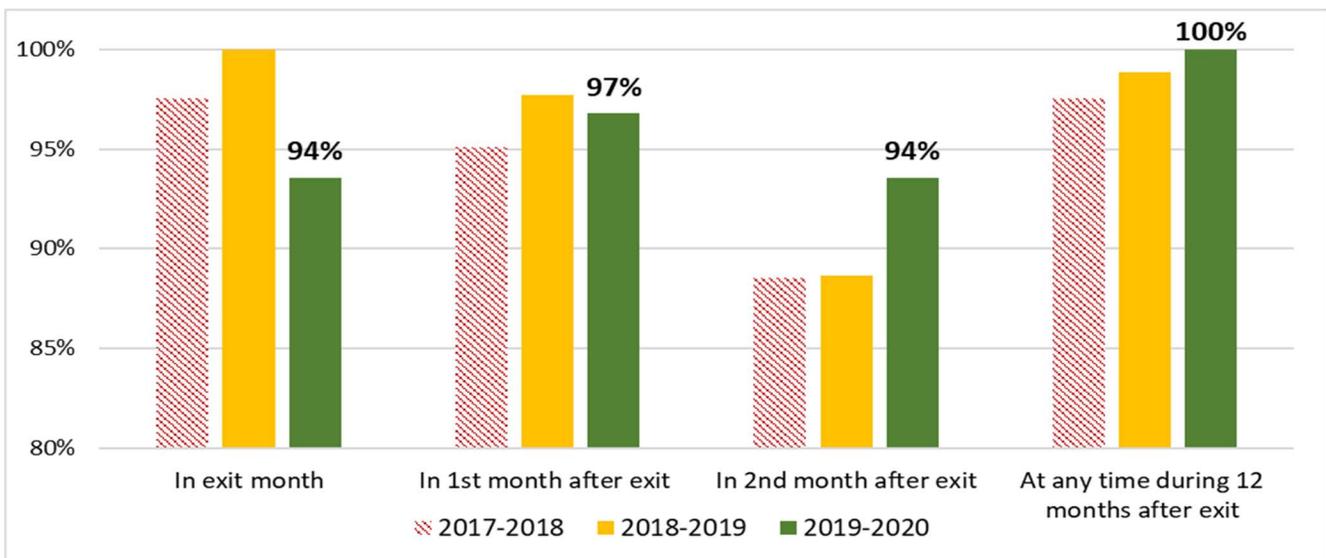
For families who exited Reach Up more than once, this analysis focused on the experiences related to their earliest Reach Up exit during FFY 2020.

All Families Used 3SquaresVT during year after leaving Reach Up

All the families who exited Reach Up due to time limits in FFY 2020 used the 3SquaresVT program at least once during the subsequent 12 months. Interestingly, most but not all families (94%) were using the 3SquaresVT program in the month that they left Reach Up.

Percentage of families who used 3SquaresVT program

(By FFY of time limit related exit)

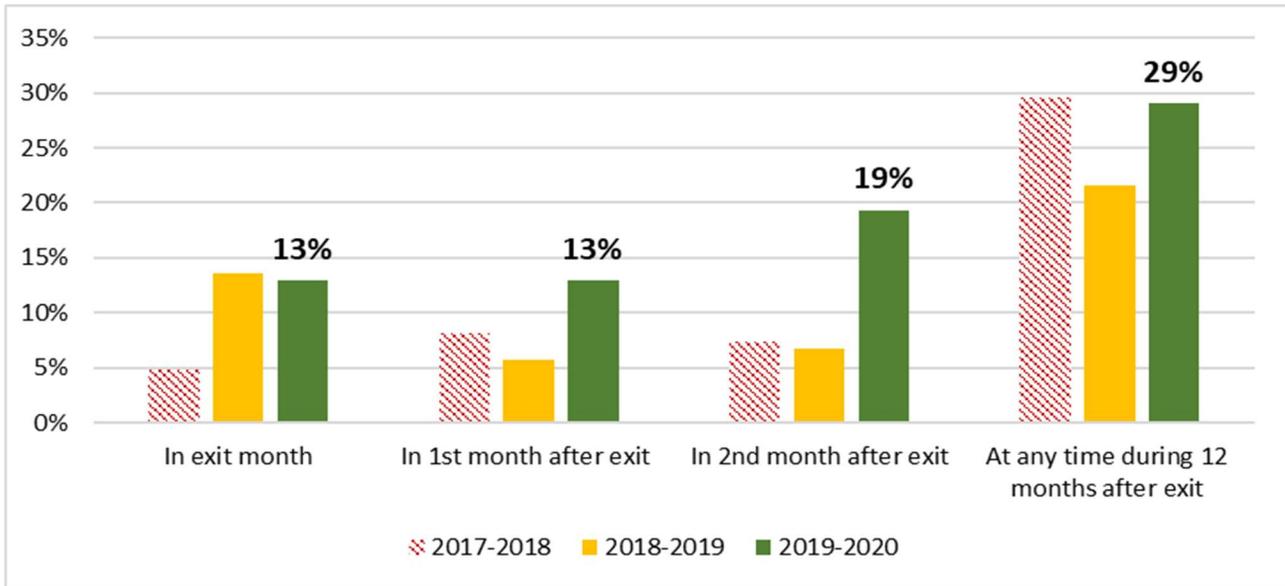


Twenty-nine percent of the families used the General Assistance (GA) program during the 12 months after their time related Reach Up exit. This is up from the 22% GA use among the families who left a year earlier, but about the same as for those who left in FFY 2019.

¹¹ Information in the remainder of Section 8 prepared and written by Black-Plumeau Consulting, LLC

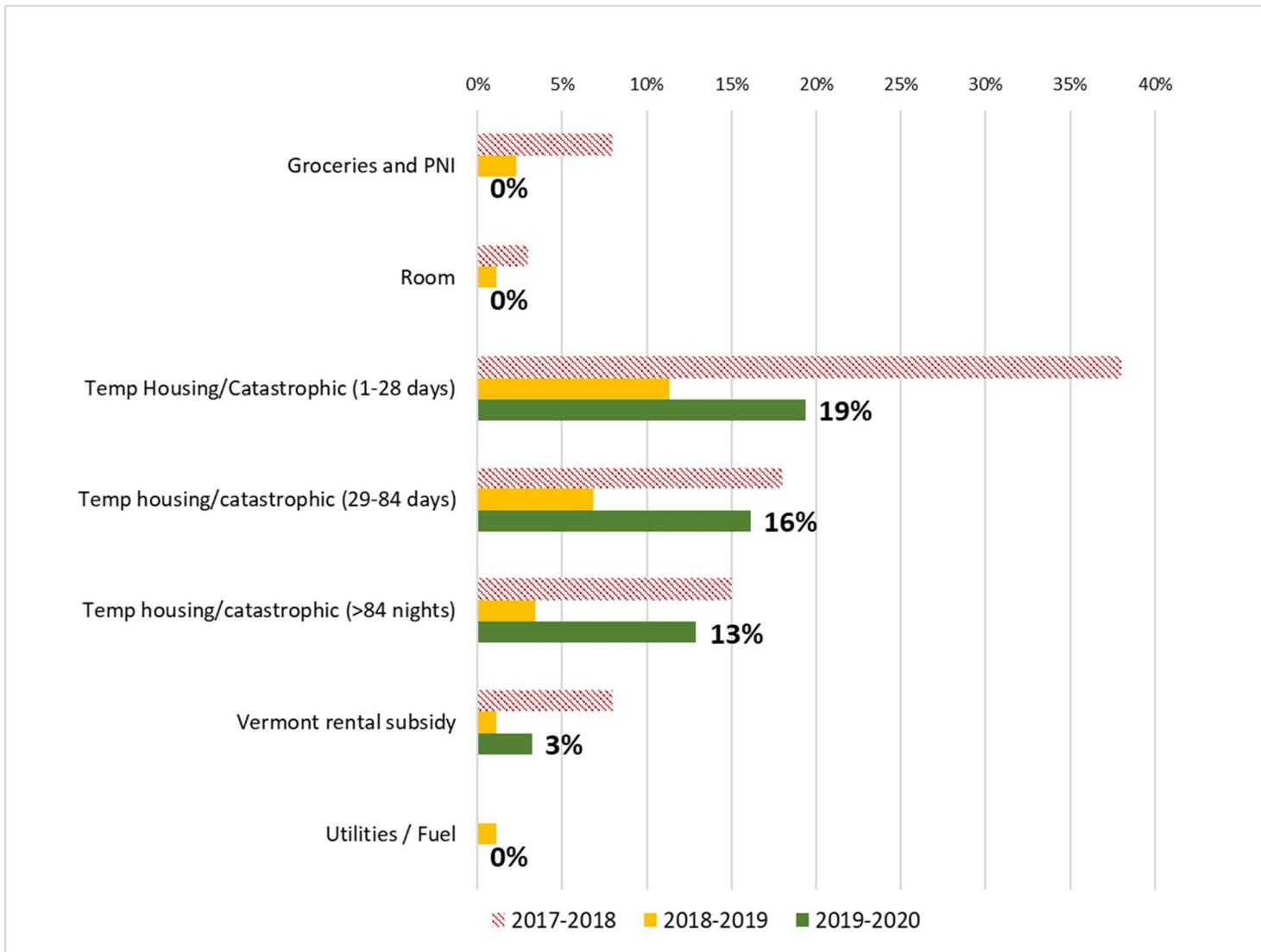
Percentage of families who used General Assistance program

(By FFY of time limit related Reach Up exit)



All the families who used General Assistance during the year after leaving due to time limits used it for housing. Getting help with housing has long been the most common type of GA need among the families who leave Reach Up due to time limits. However, this is the first recent year that GA was not used by any of these families for groceries/personal need items, room or utilities/fuel.

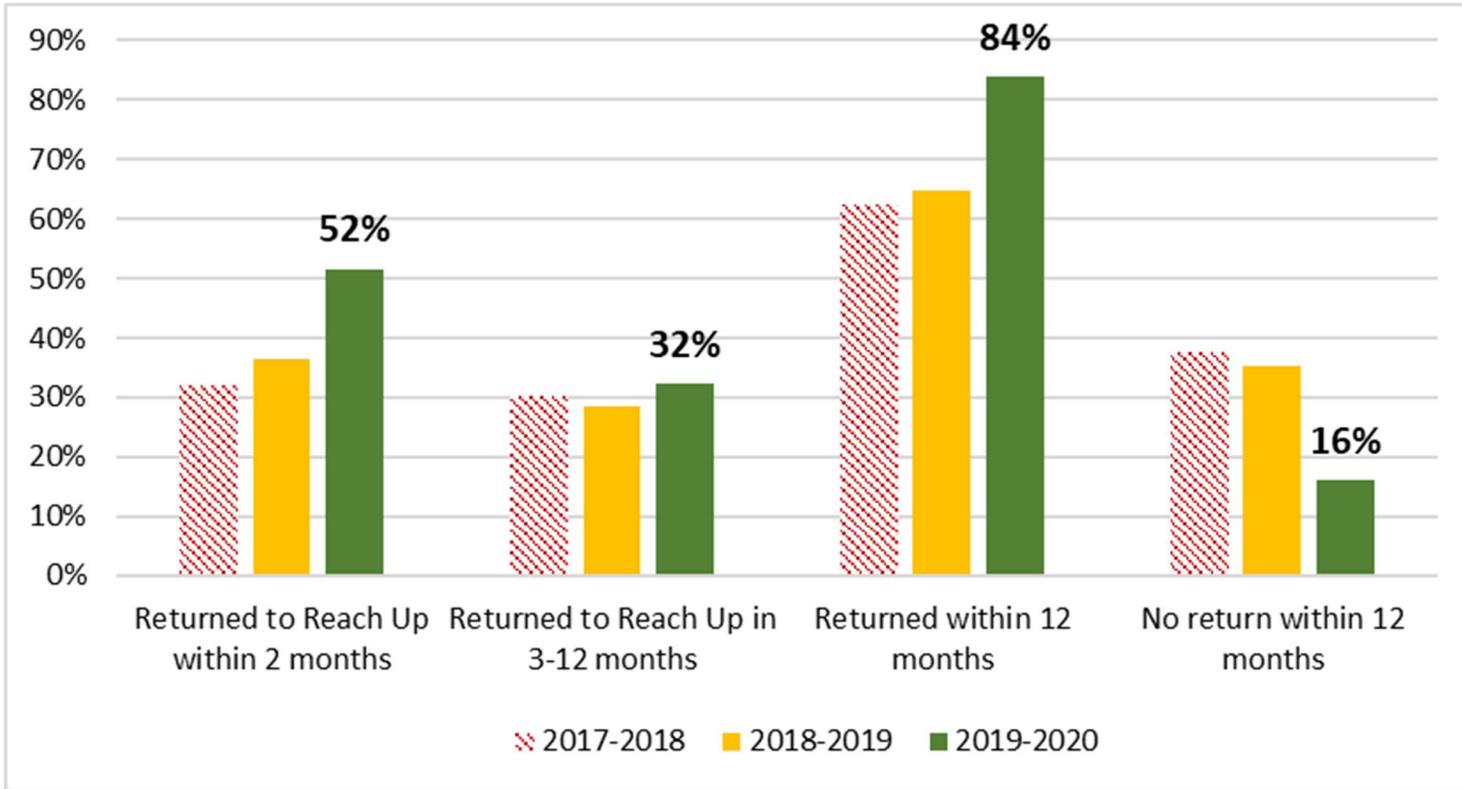
Percentage of families who exited due to time limits who used General Assistance



(By type of assistance and FFY of forced Reach Up exit)

Most families who exit Reach Up due to time limits later returned. Of all families who left Reach Up due to time limits in FFY 2020, 84% returned to the program within 12 months after their exit—up substantially from prior years. This increase was almost entirely due to families who returned within two months of first leaving the Reach Up program in October 2019 through February 2020.

Percentage of families who returned after their time limits related exit
(By FFY of exit)



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

Families who participate in the PSE program must have income below 150% of the Federal Poverty Level. They receive case management services, career planning, and support services that help with student needs such as transportation, books, and child care. 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 56 students per month participated in the PSE program during FFY21.

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 child care, accessing transportation and affordable housing, and dealing with mental health challenges. In addition to individual obstacles participants face, systemic and statutory barriers that 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 frequently¹³. 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 the last year the Reach Up program, and the families enrolled in it, have experienced a myriad of challenges and opportunities. Common obstacles like child care, transportation, mental health, and housing were exacerbated by an entire year of living in a pandemic. At the same time, additional funding and programs to address those obstacles arose to provide more opportunities for families enrolled in Reach Up. At the same time, Reach Up is on track to continue meeting the federal Work Participation Rate.