

Date: April 13, 2023

To: Senator Lyons and Senate Health and Welfare Committee

From: Miranda Gray, Deputy Commissioner, Economic Services Division and Erin Oalican,
Director, Reach Up

Re: H.94 – An act relating to removing the Reach Up ratable reduction

Reach Up Summary

Reach Up provides financial assistance to families with children. Adults are provided with coaching to help them develop goals and improve their financial situation through increasing their income – training, education, employment and in some cases pursuing SSI. Case managers work with families to address obstacles in their lives that will prepare them for education and work – such as mental health, children’s health and school needs, domestic violence, transportation, housing, finding quality childcare, etc.

THE REACH UP MISSION:

We join families on their journey to overcome obstacles, explore opportunities, improve their finances, and reach their goals.

OUR VISION:

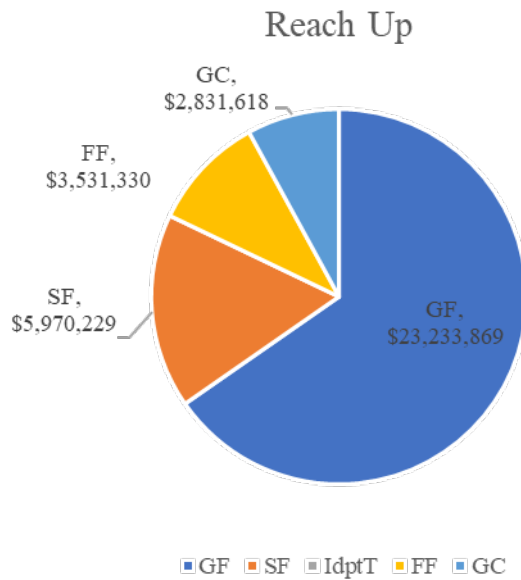
Families are empowered, connected and thriving.

Numbers and Demographics

- About 3400 households
- Of those 3400, approximately 1100 are child only grants

- About 2700 adults participating in coaching services
- Maximum monthly grant for family of three outside Chittenden County - \$856 (any countable income – employment, unemployment, child support etc. – is deducted from the maximum grant after applicable deductions) Reach Up is funded through the federal TANF block grant and General Fund
- The TANF block grant has been level funded for 25 years; consistent regardless of how many people in Reach Up; this differs from SNAP funding, which is a federal entitlement program.
- Block grant is \$47 million – DCF leverages the funding to serve Vermont families that meet eligibility across the Department: approx. \$4 million goes to Family Services Division, \$9 million to Child Development Division, \$19 million to Earned Income Tax Credit in Tax Department
- The Reach Up budget is approximately 2/3 General Fund.





Overview of Reach Up Eligibility Computation and Maximum Income

The screen shot (on the top of page 3) shows the eligibility computation which serves as both the eligibility income limits **and** the maximum grant amount for the family.

- Because these two things are tied together, the maximum grant amount affects the eligibility income limit.
- Therefore, as the ratable reduction is reduced or eliminated, the maximum grant increases, and more families are eligible for the program because the income limits also increase.
- The current ratable reduction – 49.6% - was established in rule decades ago, because the budget allocation for Reach Up benefits allowed the Department to pay approximately 49.6% of the total needs.

