

April 23, 2026

To: Chair Senator Ginny Lyons and the Senate Health and Welfare

Thank you for the opportunity to share the Department's thoughts and on the removal of the asset limit within the Reach Up Program. Currently, the Reach Up Program maintains a \$9,000 asset limit, which the Department believes is a relatively generous threshold that still allows participants to build some savings.

I had the opportunity to watch testimony taken last week on this topic and wanted to ensure that this committee had an important piece of information that had not been shared yet. Vermont has no time limits for our Reach Up Program. Federally the program is limited to 5 years in a lifetime, however Vermont adds general fund money to allow Vermonters no time limit, one must just have a child and meet the income and resource guidelines. Last week, the State of Virginia was used as an example where the State had removed the asset limit. What was not mentioned is that Virginia allows people to receive TANF (known as Reach Up in Vermont) for 24 months in their lifetime and only in some instances people can receive up to 5 years of TANF (Reach Up). Most other states have similar firm timelines for their TANF (Reach Up) program which makes Vermont hard if not impossible to compare to. By removing the asset limit, someone could for example inherit \$100,000 and remain eligible for their monthly Reach Up benefit. I do not believe that this is the intended goal of legislature, however, it is a reality of something that could happen if the asset limit is removed in its entirety.

There was also a statement made last week that I would like to clarify. The Reach Up Program is not being cut, the program was overbudgeted for what is needed in monthly benefits as we are seeing our caseload decrease, which is a national trend.

While \$140k seems minimal, what I caution is we do not know the full extent of the cost because it is unknown how many more households could be eligible if the asset limit was increased or eliminated completely. If the caseload increases, as JFO shared, DCF could see an increase in administrative costs including the need for more staffing.



It is also important to note that;

- current policy already includes asset exclusions (e.g., retirement accounts, education savings, tax credits)
- the program allows for flexibility for lump-sum income used for essential needs.

Instead of including the section on removing the Reach Up asset limit in H.657, we propose that the committee allow DCF to address this issue through a report. The Department has already proposed such a report, which would allow the program to examine options for increasing benefit levels. Eliminating the \$9,000 asset limit without sufficient planning could create challenges. A legislative report would give the Department the opportunity to carefully analyze program changes and develop a strategy to increase benefit levels. The goal is to ensure that households receive more adequate support while also creating opportunities for some participants to build savings over time.

Sincerely,

Miranda Gray, Deputy Commissioner Economic Services Division, DCF

