Voices for Vermont's Children

Fact Sheet

H.657 DCF Omnibus Bill

What's In the Bill

H.657 contains critically important policy changes for the Department for Children and Families. It provides essential protections to youth in state custody, grants agency to unaccompanied youth to access services, builds financial security through eliminating the Reach Up asset limit, and ends DCF's practice of intercepting and keeping foster youths' Social Security disability and survivor benefits.

- **Reach Up Asset Limit** - Asset limits penalize savings and force families to spend down modest assets to remain qualified for essential benefits. This affects the long-term financial security of Reach Up beneficiaries, 70% of whom are children.

- **DCF Intercepting Children's Federal Benefits** - An estimated 10% of children and youth in foster case are eligible for Social Security benefits. Rather than save these funds for beneficiaries' future use, DCF seizes youths' benefits to offset costs of care the state is obligated to provide. A shift away from this practice will help youth build a financial safety net for when they leave state custody.

- **Honor rights and autonomy for youth** - the bill makes important changes to support independent youth and curtails the practice of restraint and seclusion in residential programs.

What's at Stake

The Scott Administration is pushing back and threatening a veto over the "money issues" – Reach Up asset limits and foster youth Social Security benefits.

- Given federal attacks on anti-poverty initiatives and the $3.4 million Reach Up cut in the FY27 budget, passing H.657 is the least we can do for family and youth economic security.

- The Trump Administration sent a letter in December 2025 requesting that Vermont "stop the interception of children's survivors benefits and…conserve them for the child's unmet needs." The Scott Administration has repeatedly complied with more controversial Trump directives in order to avoid negative consequences.

What We Stand to Gain

H.657 advances policies that improve outcomes for youth and reduce administrative costs

Reach Up Asset Limit

- **Research from the National Center for Children in Poverty has shown that states' cash assistance can have important protective effects on outcomes related to child well-being**. State TANF policies that expand generosity and access to cash assistance are associated with decreases in foster care placements.

- **Reach Up hasn't had a cost of living increase in five years. The state shortchanges the program by $26 million every year.** The 6,000 children supported by Reach Up deserve better.

- **States that have eliminated asset limits have found that the resulting administrative cost savings significantly outweigh any increase in the number of families receiving benefits**.
    - Ohio has had no asset limit since 1997. The state has not seen an increase in the number of families receiving assistance.
    - Virginia was an early adopter of TANF asset limit elimination. The state has spent approximately $127,200 more on benefits for 40 families and had an estimated cost savings of approximately $323,050 in administrative staff time, resulting in a net savings of $195,850.36 annually.

Foster Youth Federal Benefits

- Federal funds through Title IV E of the Social Security Act that would cover administrative and appeals costs DCF is concerned about. Vermont currently does not draw down these available funds to support this population.

- JFO estimates that the fiscal impact of prohibiting DCF from using any portion of a child's Social Security benefits would be approximately $700,000. However, the House postponed the start date to FY28, so the financial impact on FY27 is ZERO.

H.657 passed the House with strong tri-partisan support. Its future rests with the Senate.

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Read a full summary of the bill at www.voicesforvtkids.org