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**Report to  
The Vermont Legislature**

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**Evaluation of Reach Up**

**In Accordance with 33 V.S.A. §1134**

**Submitted to:** Governor  
General Assembly

**Submitted by:** Ken Schatz, Commissioner  
Department for Children and Families

**Prepared by:** Erin Oalican  
Reach Up Program Director

**Report Date:** January 31, 2018



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## Executive Summary

This report highlights the trends of the Reach Up Program. The caseload continues to decrease. This is a consequence of Vermont's low unemployment rate and the tremendous efforts of our staff to support parents in finding sustainable employment.

## Introduction

DCF submits this report pursuant to 33 V.S.A § 1134, which requires that annually by January 31<sup>st</sup>, the Department for Children and Families (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. Most data in this report, unless stated otherwise, are for the period October 1, 2016 through September 30, 2017 (federal fiscal year 2017). Data reported in Sections 3 and 4 (Reach Up leavers' participation in 3SquaresVT and Health Care Assistance) are for the period July 1, 2016 through June 30, 2017 (state fiscal year 2017).

## Highlights and Changes in 2017

### Strategic Planning with National Research Organization Mathematica

In November 2017, Reach Up began working with Mathematica Policy Research to refine the mission and vision for the program, and to create a strategic plan that will foster a community of learning and best practice. "Mathematica Policy Research is a pioneering nonpartisan research organization dedicated to improving public well-being." Using concepts of behavioral science, Mathematica is working with Reach Up to make incremental changes to the program which will steadily improve outcomes for Vermonters participating in the program. More information about Mathematica is available here: <https://www.mathematica-mpr.com/about-mathematica>

### The 2-Generation Approach in the Reach Up Program

Reach Up is working towards using a two generation (2-Gen) approach with participants and their families. A 2-Gen approach focuses on creating opportunities for, and addressing the needs of, vulnerable children and their parents together. Below is a visual depiction of the five main components of 2-Gen organizations:



### **Examples of Work Being Done in Reach Up to Promote 2-Gen:**

- Measuring the outcomes of both children and parents
- Providing opportunities such as the Post-Secondary Education (PSE) Program and increasing referrals to job training programs such as Strengthening Working Families Initiative
- Strengthening the substance use/mental health program, which provides direct connection to needed services for Reach Up participants
- Financial empowerment pilots and integration of *Your Money, Your Goals* into the Reach Up program
- Collecting family feedback through focus groups and surveys
- Strengthening connections with children's services such as Children's Integrated Services (CIS), home visiting programs, and Head Start
- Home visiting pilot program in Newport

### **Integrating Financial Empowerment into the Reach Up Program**

Reach Up continues the effort to integrate financial capability into the Reach Up program in partnership with the Office of Economic Opportunity (OEO). In July, the Consumer Financial Protection Bureau (CFPB) sent a trainer to Vermont for the second phase of teaching front-line staff how to use the financial tool kit "*Your Money, Your Goals*" with Reach Up participants. This tool kit helps staff facilitate financial comprehension and planning with participants and assists participants in making budgeting and spending decisions to help them reach their goals. "*Your Money, Your Goals*" covers topics such as credit, financial products, debt, income and bills, budgeting, and bank accounts. The Reach Up program views this as an important way to complement the recent increase in the Reach Up asset limit, and to help participants build habits of saving.

The Reach Up program and OEO developed the *Financial Empowerment Project* that brings intensive financial coaching to Post-Secondary Education (PSE) students and Reach Ahead and Reach Up participants in four Economic Services Division (ESD) districts - Barre, Burlington, Morrisville, and St. Albans. Champlain Valley Office of Economic Opportunity (Burlington and St. Albans) and Capstone Community Action (Barre and Morrisville) provide financial coaching and facilitate participant-driven goal setting. Through this coaching, when participants reach their goals, they receive incentives. For example, a participant may choose a \$50 incentive to open a bank account, or a matched-savings incentive to save a certain amount of money each month. The program improves the financial capability of participants and supports them in attaining financial stability.

### **Participant Feedback – Focus Groups**

Over the last year Reach Up Central Office hosted ten participant focus groups around the state and will host two additional groups in the remaining AHS districts this Spring. Participation in these groups is voluntary and open to all Reach Up participants. Feedback from participants on what they feel works well in the program and about services and/or requirements they feel are less beneficial is encouraged. This process is used to continuously improve the Reach Up Program. Typical discussion topics include childcare, housing, post-secondary education (PSE), support services, and program requirements. Hearing directly from current Reach Up participants has been an incredibly insightful experience that Reach Up Central Office intends to continue annually.

### **Professional Development**

On October 13, 2017, the Reach Up Central Office Team held its second "All Staff Day" for Reach Up staff state-wide. The event brought everyone together for a day of networking, collaboration, and learning.

Using input from staff, central office staff sought appropriate field experts to facilitate workshops on the identified topics. Reach Up partnered with the federal Administration of Children and Families (ACF), Afya, Inc., EmPath, DAIL, and renowned TANF researcher LaDonna Pavetti to provide workshops focused on brain science, executive functioning, coaching, and setting goals with participants.

In addition to training, central office conducts in-depth, annual, on-site case reviews for every case manager in the state. Every year, Central Office staff spend a minimum of an entire day at each of the 12 district offices meeting with case managers individually. During the meetings with case managers, cases are carefully reviewed to find areas of strength and areas where the case manager can improve. This is followed by the Reach Up Supervisor and Regional Manager examining the case review materials and case manager interview. The day-long process concludes with a team meeting with all Reach Up case managers and supervisors to review common themes in the district.

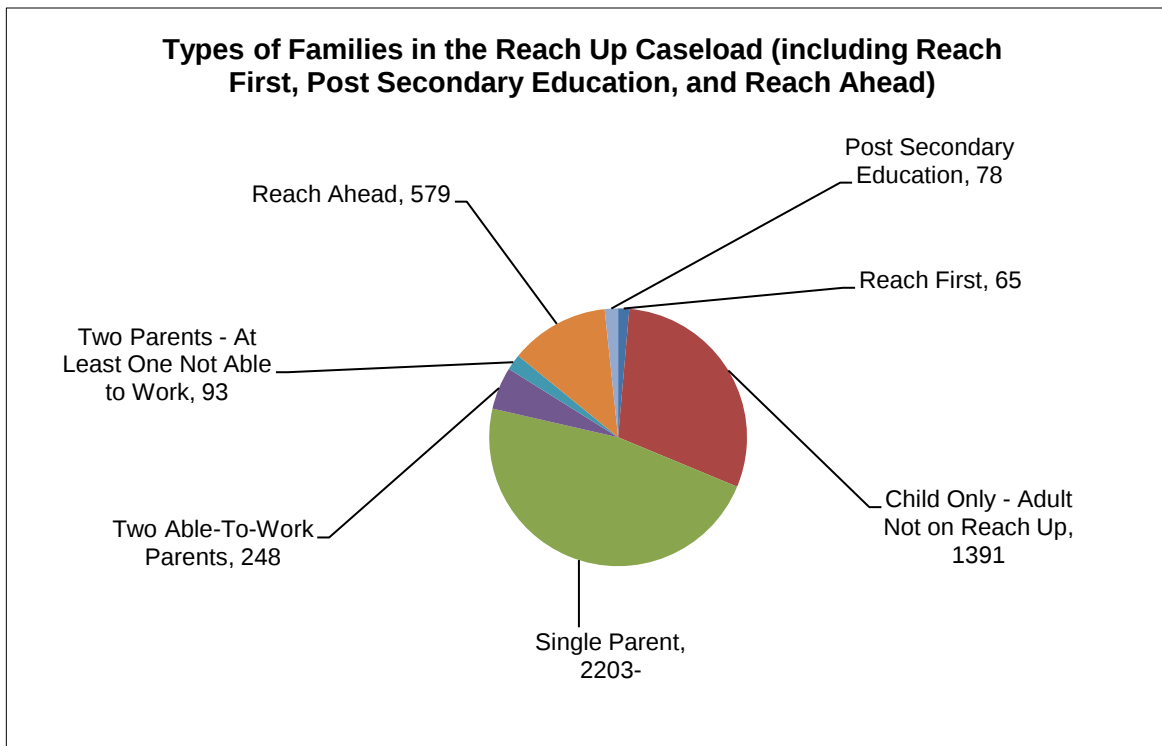
### **Home Visiting Pilot in Newport**

In summer of 2017, the Newport district office launched a pilot project modeled after a highly successful TANF home visiting project conducted in Nebraska. The project in Nebraska showed positive results for participants with the most significant barriers such as mental health, substance use, homelessness and transportation. In Newport, one case manager works intensively with 13-15 families at a time, using the evidence-based curriculum to help the families set goals and overcome their barriers to employment. In just four months' time, the Newport project has already documented promising outcomes including:

- 6 out of the 17 families have found employment; 4 of those families are no longer receiving Reach Up;
- Most have identified and engaged in treatment for mental health and/or substance use issues; many were previously unable or unwilling to do so; and
- Participants have reported increased confidence that they can meet their goals, more interest in employment, and motivation to access needed services to address employment barriers.

## **Section 1: Participant Barriers**

Charts in this section 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 Reach Up families. The figures below are the average monthly numbers for the period: October 2016 through September 2017.

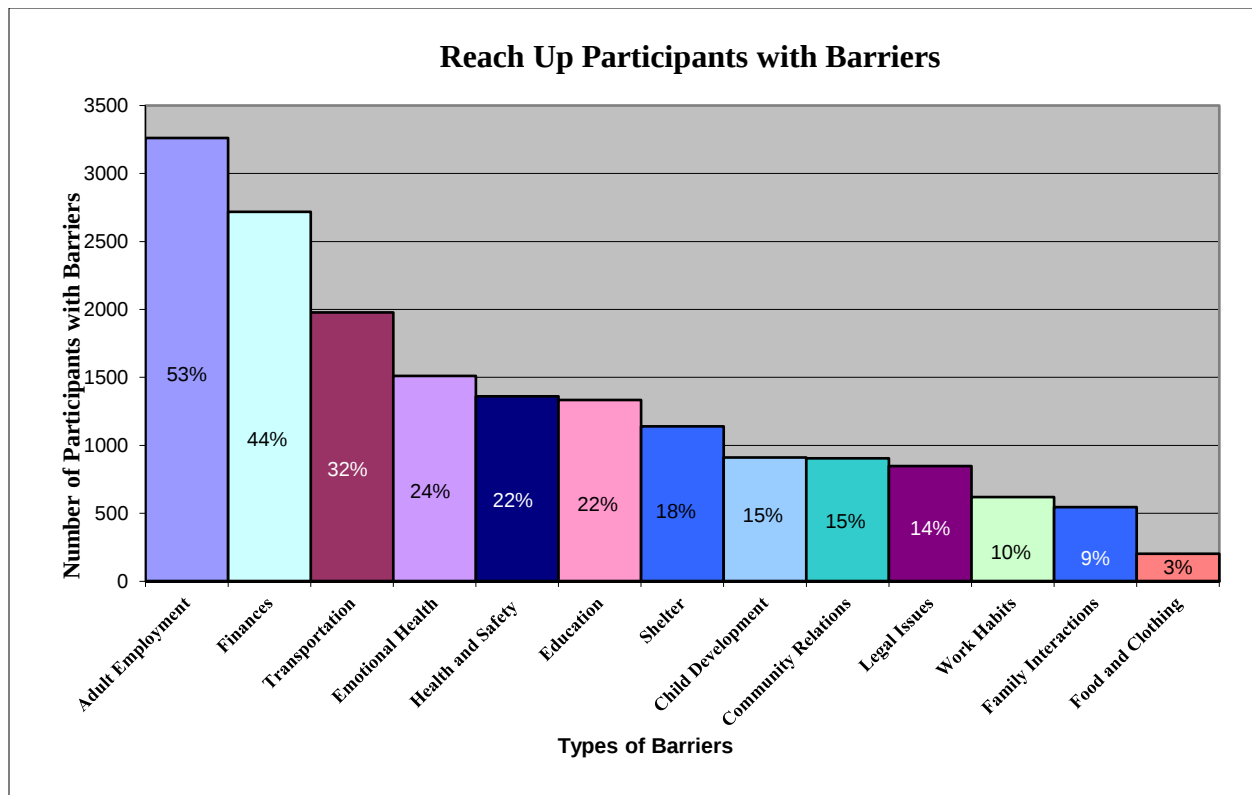


| Average Number of Adults Participating in Reach Up Program |                                                                                                                                                            |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Family Type                                                | Average Number of Adults Participating in Reach Up Each Month (does not include Postsecondary Education Program, Reach First and Reach Ahead participants) |
| Single Adult                                               | 2,203                                                                                                                                                      |
| Two Able-To-Work Adults                                    | 496                                                                                                                                                        |
| Two Adults, At Least One Not Able to Work                  | 185                                                                                                                                                        |
| <b>Total Adults</b>                                        | <b>2,885</b>                                                                                                                                               |

### **Reach Up Participants with Barriers**

Reach Up Case Managers assess participants' strengths and barriers to employment at least every six months using the Self Sufficiency Outcomes Matrix (SSOM). The assessment covers 13 domains. After the assessment is complete, the case manager enters the result of each domain into the Family Support Matrix, from which the following data is extracted.

The chart below illustrates the percentage of Reach Up participants assessed as having the specified barriers. During the period October 2016 through September 2017, case managers assessed 6,174 participants and found 17,336 barriers; an average of 2.8 barriers per participant. The average number of barriers per participants has been slowly increasing since 2012, when the average number per participant was 2.2. Though caseloads continue to decrease, the participants remaining on Reach Up have more barriers and challenges to overcome before they can achieve sustained employment and financial stability.



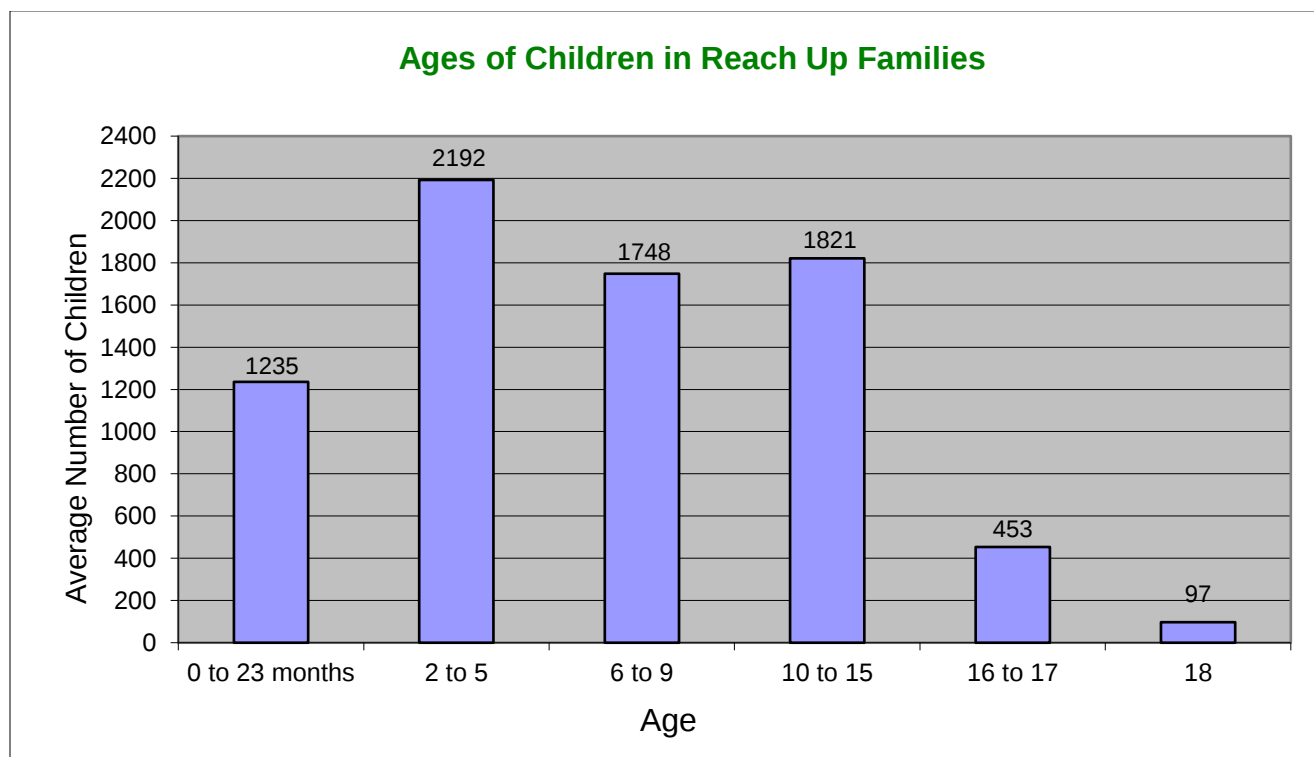
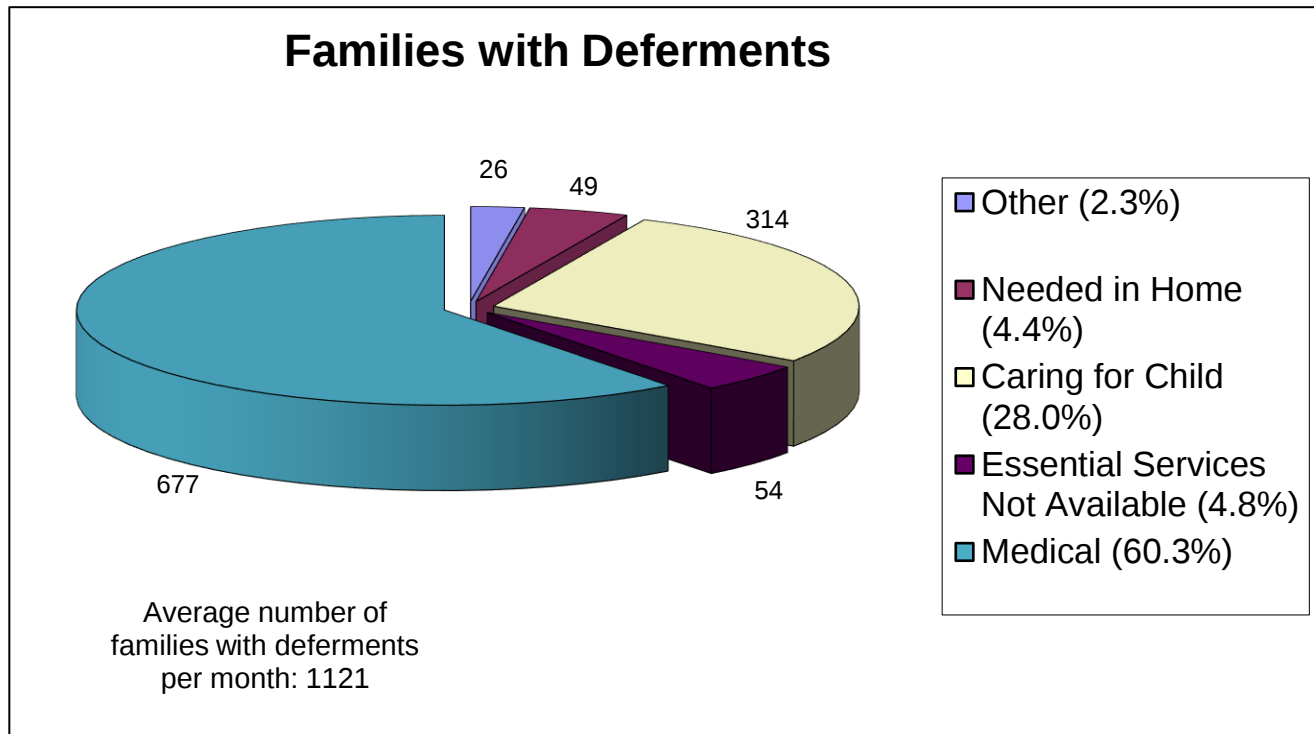
### Key to Domains:

- **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, needs dental work, 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
- **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, legal court proceedings: divorce, history of criminal activity, other
- **Work Habits** – Lacks hard skills, lacks soft skills, other
- **Community Relations** – Poor relationships with neighbors, isolated from community/services, other
- **Family Interactions** – Efforts being sabotaged, multiple agency involvement, family make-up frequently changing, frequent family conflicts, domestic violence, needed in home, other
- **Food and Clothing** – Inadequate clothing, inadequate nutrition, other

To help with these employment barriers, Reach Up provides incentives and support services designed to help families reach their employment goals. Support services improve the participant’s 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 and transportation. Case managers also use the “*Your Money, Your Goals*” toolkit to integrate financial capability into the program and address financial barriers. While transportation remains a significant barrier to employment for Vermont Reach Up participants, the transportation barrier has steadily decreased over the last 9 years from a high of 42% to the current 32%.

## 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. They are also required to 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 ten hours per week. Figures in the chart below represent the deferment status of adults with a work requirement.



The above chart illustrates the ages of a monthly average of 7,547 children who received assistance throughout the program from October 2016 through September 2017. Approximately 16% are under age two, 29% are between the ages of two and five, and 55% are over six. The deferment chart above illustrates that on average, 314 participants per month received a deferment from their work requirement to care for a child under the age of two.

### **Independent Medical Review Team**

The Department contracts with three physicians to review medical deferment requests to determine whether to uphold the original treatment provider's recommendation, modify it, or to deny the request.<sup>1</sup> The physicians' expertise includes psychiatry, pediatrics, and general practice. In FY17, 512 medical deferment requests were reviewed, and most of those decisions resulted in a modified work requirement; 224 of these were duplicative reviews<sup>2</sup>. The following chart illustrates a breakdown of cases reviewed during the last fiscal year:

#### **Deferment Determination Breakdown**

|                       | <b>Denials</b> | <b>Modifications without deferment</b> | <b>Full Deferment with Modification<sup>3</sup></b> | <b>Full Deferment no modifications</b> | <b>Total</b> |
|-----------------------|----------------|----------------------------------------|-----------------------------------------------------|----------------------------------------|--------------|
| <b>Needed In Home</b> | 1              | 19                                     | 23                                                  | 20                                     | 63           |
| <b>Medical</b>        | 22             | 231                                    | 151                                                 | 45                                     | 449          |
| <b>Total</b>          | 23             | 250                                    | 174                                                 | 65                                     | 512          |

## **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 2016 through September 2017. It does not include the Postsecondary Education program. The last chart illustrates the number of families that moved off assistance and achieved better outcomes for their children under the Reach Up program. Information supporting good outcomes for children is also represented in Section 1 by the low number of barriers related to child well-being, and the high number of parents requesting deferments to take care of children. Additionally, a draft report of a Reach Up child well-being study demonstrates promising results for families participating in Reach Up. More details can be found in Section 5. Once the Reach Up child well-being study is finalized, this will be available for review.

It is noteworthy that some participants who work earn so little they remain eligible for Reach Up. Some participants combine education with work to guarantee a better job when they leave Reach Up. Participant wage earnings are included below.

### **Families Combine Reach Up with Work**

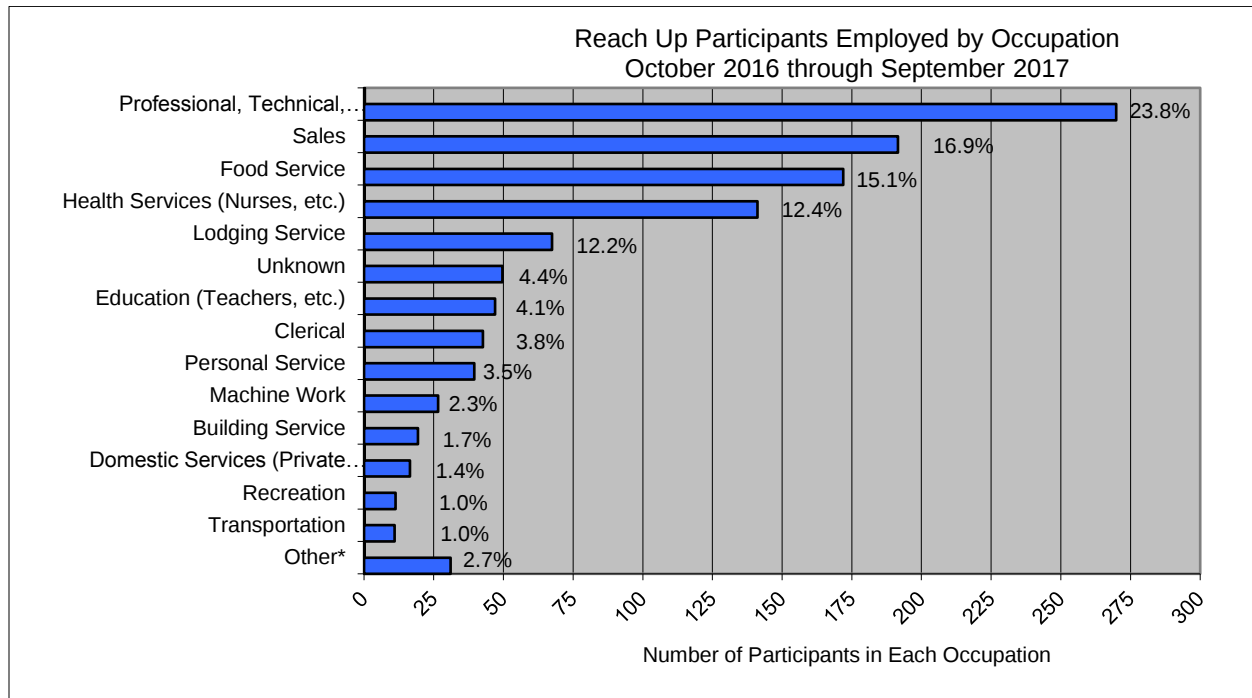
The charts below illustrate occupations of an average of 1,137 Reach Up and Reach Ahead participants per month who are working. Of the 1,137 families, 579 are in the Reach Ahead program. Within Reach

<sup>1</sup> The medical review process was implemented pursuant to 33 V.S.A. 1114(b)(5) and (d).

<sup>2</sup> Duplicative reviews are cases where the timeframe for the deferment has ended, and they are being reviewed again for possible continued deferment or modification.

<sup>3</sup> "Full deferment with modification" is a participant that starts with a deferment, then moves to a modification within the approved time frame, to encourage progress towards employment.

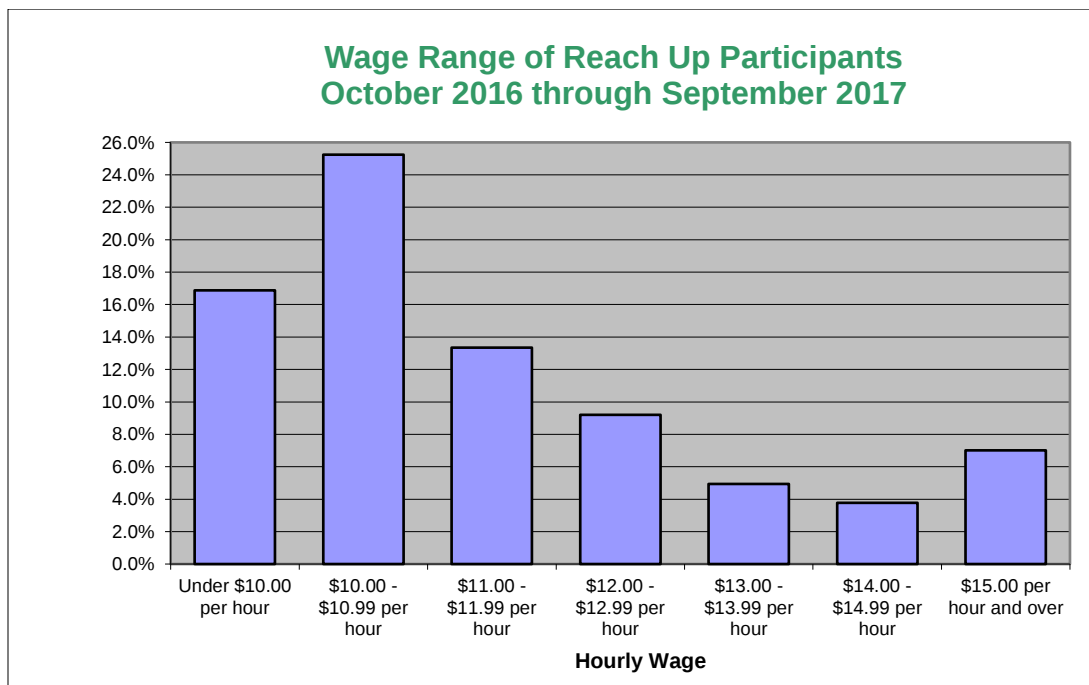
Up, 558 are working; this figure demonstrates that 19% of adults in Reach Up work while remaining eligible for the program.



| Reach Up Participants Employed by Occupation<br>October 2016 through September 2017                       |                                |                               |
|-----------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Occupation                                                                                                | Average Number of Participants | Percentage in Each Occupation |
| Other*                                                                                                    | 31                             | 2.7%                          |
| Transportation                                                                                            | 11                             | 1.0%                          |
| Recreation                                                                                                | 11                             | 1.0%                          |
| Domestic Services (Private Homes)                                                                         | 16                             | 1.4%                          |
| Building Service                                                                                          | 19                             | 1.7%                          |
| Machine Work                                                                                              | 27                             | 2.3%                          |
| Personal Service                                                                                          | 40                             | 3.5%                          |
| Clerical                                                                                                  | 43                             | 3.8%                          |
| Education (Teachers, etc.)                                                                                | 47                             | 4.1%                          |
| Unknown                                                                                                   | 50                             | 4.4%                          |
| Lodging Service                                                                                           | 68                             | 5.9%                          |
| Health Services (Nurses, etc.)                                                                            | 141                            | 12.4%                         |
| Food Service                                                                                              | 172                            | 15.1%                         |
| Sales                                                                                                     | 192                            | 16.9%                         |
| Professional, Technical, Managerial                                                                       | 270                            | 23.8%                         |
| <b>Total Participants Employed</b>                                                                        | <b>1137</b>                    |                               |
| * Each of the occupations consolidated in the "Other" category employed less than 1% of the participants. |                                |                               |

| Reach Up Participants Employed by Industry<br>October 2015 through September 2016 |                                   |                                      |
|-----------------------------------------------------------------------------------|-----------------------------------|--------------------------------------|
| Industry                                                                          | Percentage<br>in Each<br>Industry | Average<br>Number of<br>Participants |
| Services                                                                          | 47.8%                             | 543                                  |
| Retail Trade                                                                      | 13.1%                             | 148                                  |
| Transportation & Public Utilities                                                 | 10.1%                             | 115                                  |
| Manufacturing                                                                     | 4.5%                              | 51                                   |
| Wholesale Trade                                                                   | 1.1%                              | 12                                   |
| Construction                                                                      | 1.0%                              | 11                                   |
| Government                                                                        | 0.8%                              | 9                                    |
| Agric/Forestry/Fishing/Mining                                                     | 0.6%                              | 6                                    |
| Finance/Insurance/Real Estate                                                     | 0.3%                              | 3                                    |
| Other/Unknown                                                                     | 20.8%                             | 237                                  |
| <b>Total Participants Employed</b>                                                |                                   | <b>1136</b>                          |

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 also have a net income equivalent to less than \$10.00 per hour, Vermont's 2017 minimum wage. The percentage of participants making at least \$12 per hour increased from 20% in 2016 to 25% in 2017.



| Reach Up Participants by Wage Range<br>October 2016 - September 2017 |                          |                                |
|----------------------------------------------------------------------|--------------------------|--------------------------------|
| Wage                                                                 | Percentage in Wage Range | Average Number of Participants |
| Under \$10.00 per hour                                               | 16.9%                    | 192                            |
| \$10.00 - \$10.99 per hour                                           | 25.2%                    | 287                            |
| \$11.00 - \$11.99 per hour                                           | 13.3%                    | 152                            |
| \$12.00 - \$12.99 per hour                                           | 9.2%                     | 105                            |
| \$13.00 - \$13.99 per hour                                           | 4.9%                     | 56                             |
| \$14.00 - \$14.99 per hour                                           | 3.8%                     | 43                             |
| \$15.00 per hour and over                                            | 7.0%                     | 80                             |
| Unknown <sup>4</sup>                                                 | 19.5%                    | 222                            |
| <b>Average Participants Employed Per Month</b>                       |                          | <b>1136</b>                    |

### Adults Participating in Training and Education Programs

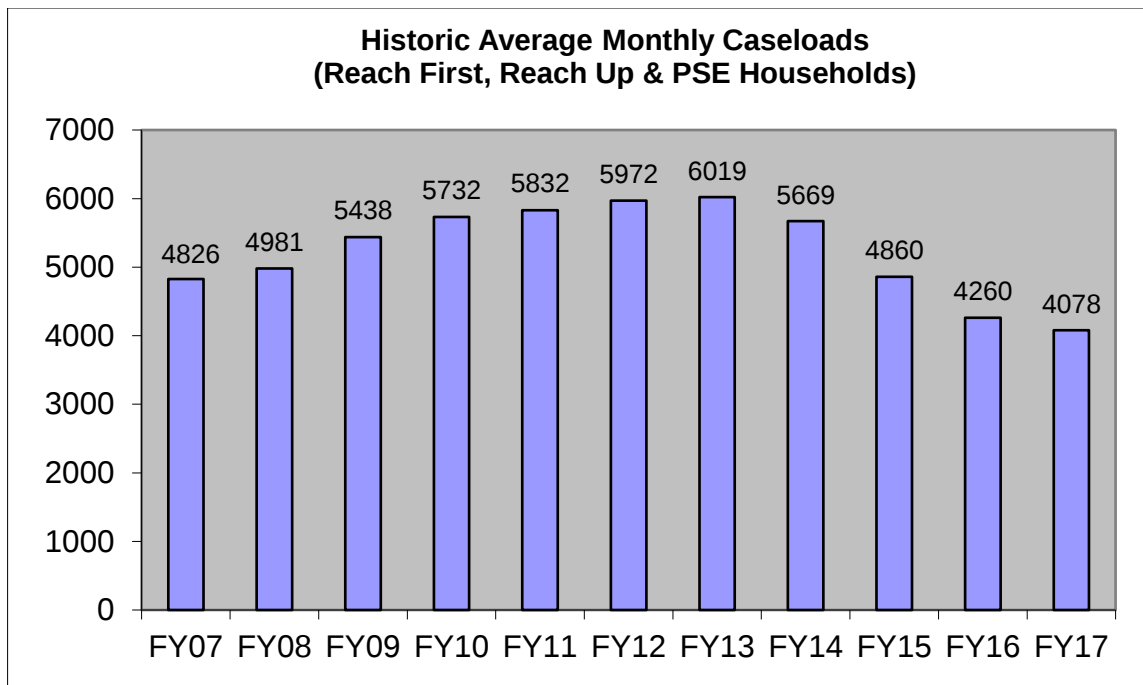
Some participants may take part in short term training and education programs. Participants who need work experience may be placed in supported work experience and community service placements where they do not earn wages. These participants are included in the table below:

| Parents Participating in Training and Education Programs<br>October 2016 through Sept 2017 |                                |
|--------------------------------------------------------------------------------------------|--------------------------------|
| Activity Type                                                                              | Average Number of Participants |
| Work Experience and Community Service Placement                                            | 184                            |
| On-the-Job Training                                                                        | 1                              |
| Vocational Education                                                                       | 22                             |
| Job Skills Training                                                                        | 10                             |
| Satisfactory School Attendance                                                             | 28                             |
| <b>Average Participants per Month:</b>                                                     | <b>244</b>                     |

### Historic Caseloads

When Vermont's TANF Reauthorization waiver expired on July 1, 2001, the state was required to comply with TANF Reauthorization regulations. At that time, there were 5,500 families on assistance. Data in the following chart represents the average monthly number of families for each state fiscal year. 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 improved economic conditions and the work of our case managers to support parents with their Family Development Plan. A portion of the decline can also be attributed to families who left Reach Up after time limits were implemented in May 2014.

<sup>4</sup> Wage range data is pulled from a field in ACCESS that captures hourly wage. This field is not consistently completed by workers, because it is not required to determine eligibility for the program.  
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### Section 3

#### 3SquaresVT Participation of Reach Up Leavers

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2017. An average of 2,624 individuals left Reach Up each quarter; an average of 2,155 or 82% of these families were still off Reach Up four months later. When they left Reach Up, 90% of these families were receiving 3SquaresVT benefits; four months later 64% still received 3SquaresVT.

| <b>Reach Up Leavers' Participation in Food Stamps-- Fiscal Year 2017</b>              |                                       |                                       |                                       |                                       |                |
|---------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|----------------|
|                                                                                       | <b>Quarter<br/>Ending<br/>Sep '16</b> | <b>Quarter<br/>Ending<br/>Dec '16</b> | <b>Quarter<br/>Ending<br/>Mar '17</b> | <b>Quarter<br/>Ending<br/>Jun '17</b> | <b>Average</b> |
| <b>1. Total number of individuals who left Reach Up</b>                               | 2,632                                 | 2,709                                 | 2,623                                 | 2,531                                 | 2,624          |
| <b>2. Those in #1 who at month 4 were still off Reach Up</b>                          | 2,099<br>80%                          | 2,201<br>81%                          | 2,214<br>84%                          | 2,105<br>83%                          | 2,155<br>82%   |
| <b>3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving Reach Up</b> | 1,863<br>89%                          | 2,001<br>91%                          | 1,995<br>90%                          | 1,903<br>90%                          | 1,941<br>90%   |
| <b>4. Those in #3 who were in 3 Squares, not on RU at month 4</b>                     | 1,202<br>65%                          | 1,303<br>65%                          | 1,273<br>64%                          | 1,162<br>61%                          | 1,235<br>64%   |

## 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.<sup>5</sup>

## Section 5

### Summary of Reports by Contractors

Leslie Black-Plumeau, an independent contractor with the DCF, submitted "*Leaving Reach Up: How did the experiences of Vermont's 2013 welfare leavers compare to earlier leavers?*" in FY15. A copy of the report can be found here:

<http://dcf.vermont.gov/sites/dcf/files/ESD/Report/2013%20Reach%20Up%20Leavers%20Report%20-%20July%2013%2C%202015%20%28Final%29.pdf>

This report is available upon request. The Department plans to repeat this study with updated data within the next year. A report on families who left Reach Up due to time limits is included in Section 8 of this report.

Leslie Black-Plumeau also submitted drafts of two additional reports in 2017 – "*Indicators of Child Well-Being Among Families Receiving Reach Up in 2013 and 2014*" and "*Use of Emergency Housing by Families Receiving Reach Up.*" Both reports studied families who entered Reach Up in 2013 or 2014 and looked at data during the two subsequent years they participated in the program. Finalized reports will be available within the coming months.

The initial draft report of the child well-being study showed positive results in areas of child well-being. This study looked at data from Reach Up, in addition to data from Family Services Division and Child Development Division. Highlights include:

- 73% of families improved in at least one of the five self-sufficiency ratings closely related to child well-being
  - 37% showed improvement in child well-being – availability of child care and school enrollment and attendance
  - 51% showed improvement in shelter – stability of housing that is affordable, adequate and safe
  - 33% showed improvement in social well-being and connections – substance abuse and mental health of parents
  - 45% showed improvement in health – availability of affordable medical care and effects of disabilities

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<sup>5</sup> Health Benefits Eligibility and Enrollment rule § 7.03(a)(6)(i).

- 33% showed improvement in family interactions and well-being – parenting, support from and safety amount family and friends
- The number of children in subsidized childcare increased for every “Stars” rating category. Most notably, the number of children in five-star facilities increased from 3% to 25%, 12 months after starting Reach Up.
  - 62% of children were in a 2 star or above childcare setting 12 months after starting, compared to only 13% of the same cohort 6 months prior to starting Reach Up.

The housing report studied the housing status of families receiving Reach Up for two years, thus during the period of 2013 – 2014. Highlights include:

- 24% of families used ESD’s Emergency Assistance program (EA) the year before or during the two years in the Reach Up program
- The percentage of families who lacked independent housing dropped from 37% when entering the program, to 13% after two years in the program
- 51% of families experienced an improvement in their housing situation after participating in the program for one to two years

## Section 6

### Work Participation Rates and the Caseload Reduction Credit

States must submit data on all TANF recipients quarterly 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 – 40 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.<sup>6</sup> ACF computes each state’s monthly work participation rate for two categories: all families, and 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 declines in the state’s caseload during the prior Federal Fiscal Year (FFY). 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 chart below illustrates Vermont’s estimated participation rates as calculated, but not yet finalized, by the ACF.

<sup>6</sup> Further federal limitations on hours of participation and the age of participants in certain activities exist.  
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| <b>TANF Work Participation Rates Federal Fiscal Year 2017</b> |              |                     |
|---------------------------------------------------------------|--------------|---------------------|
|                                                               | All Families | Two-Parent Families |
| 1 <sup>st</sup> quarter                                       | 48.3%        | 58.3%               |
| 2 <sup>nd</sup> quarter                                       | 47.4%        | 56.0%               |
| 3 <sup>rd</sup> quarter                                       | 48.3%        | 61.9%               |
| 4 <sup>th</sup> quarter                                       | 32.5%        | 50.1%               |
| Average <sup>7</sup>                                          | 44.1%        | 56.6%               |

| <b>Caseload Reduction Credit (CRC)</b> |              |                     |
|----------------------------------------|--------------|---------------------|
|                                        | All Families | Two-Parent Families |
| Rate submitted to ACF <sup>8</sup>     | 26.0%        | 41.4%               |

Applying the CRC to the participation rates results in a 70.1% all families rate and a 98.0% two-parent families rate. Vermont is on-track to meet the 2017 Work Participation Rate for both All-Families and Two-Parent rates.

Vermont has struggled to meet the federal Work Participation rate, though in the last two years has succeeded in doing so. This is due in a large part to the Reach Ahead program. All families on Reach Ahead are meeting the work requirement, and this contributes to almost 80% of the Work Participation Rate.

The Work Participation Rate is not reflective of the work case managers are doing to help families move towards self-sufficiency. A large part of this path involves addressing multiple and 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 education in most circumstances. They also do not include addressing other major barriers to participation such as lack of childcare, transportation, or housing. However, the Economic Services Division continues to examine ways to address the Work Participation Rate challenge.

## **Section 7**

### **Basic Needs, Housing Allowances, and Maximum Grants**

#### **Basic Needs and Housing Allowances**

The department calculates a basic needs standard that includes certain requirements considered essential to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special needs. This standard of combined basic needs increases according to household size from \$475 per month for a household of one, to \$1,769 per month for a household of eight. Each year the department reports the current basic needs standard and budget that is then adjusted to reflect an annual cost-of-living increase. DCF makes the annual cost-of-living increase calculation by running the basic needs standard and housing allowance through a computer program that recalculates them based

<sup>7</sup> The Work Participation Rates are submitted quarterly to ACF; however the final calculations have not been finalized and released.

<sup>8</sup> The caseload reduction rates are the rates submitted to ACF in December 2016. Vermont is waiting for confirmation of the caseload reduction rates.

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. 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 2004.

The charts below illustrate the current basic needs for families of one to four members; basic needs if adjusted in December 2017 for the cost-of-living increase; current housing costs; and housing costs if adjusted.

### Basic Needs and Housing Allowance

| Family Size               | Existing Basic Needs<br>(based on calculation in 3/1/04) | Basic needs if adjusted to<br>annual cost-of-living increase<br>(12/1/17) |
|---------------------------|----------------------------------------------------------|---------------------------------------------------------------------------|
| 1                         | \$475                                                    | \$661                                                                     |
| 2                         | \$680                                                    | \$949                                                                     |
| 3                         | \$891                                                    | \$1244                                                                    |
| 4                         | \$1064                                                   | \$1488                                                                    |
| 5                         | \$1247                                                   | \$1745                                                                    |
| 6                         | \$1372                                                   | \$1920                                                                    |
| 7                         | \$1589                                                   | \$2218                                                                    |
| 8                         | \$1769                                                   | \$2275                                                                    |
| Each additional<br>person | \$170                                                    | \$238                                                                     |

| Housing Allowances           | Existing Housing<br>Allowance (based on<br>10/1/01) | Housing allowance if<br>adjusted to annual median<br>cost (12/1/17) |
|------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
| Chittenden County            | \$450                                               | \$699                                                               |
| Outside Chittenden<br>County | \$400                                               | \$587                                                               |

*\* based on what clients report they pay for housing.*

### Current Maximum Grants

The chart below illustrates maximum grants for families of one to four members. Grants in Chittenden County are higher due to a history of higher shelter costs and a higher housing allowance. All families with out-of-pocket shelter costs in excess of maximum allowances may receive up to \$45 more in their grant as a special needs housing allowance.

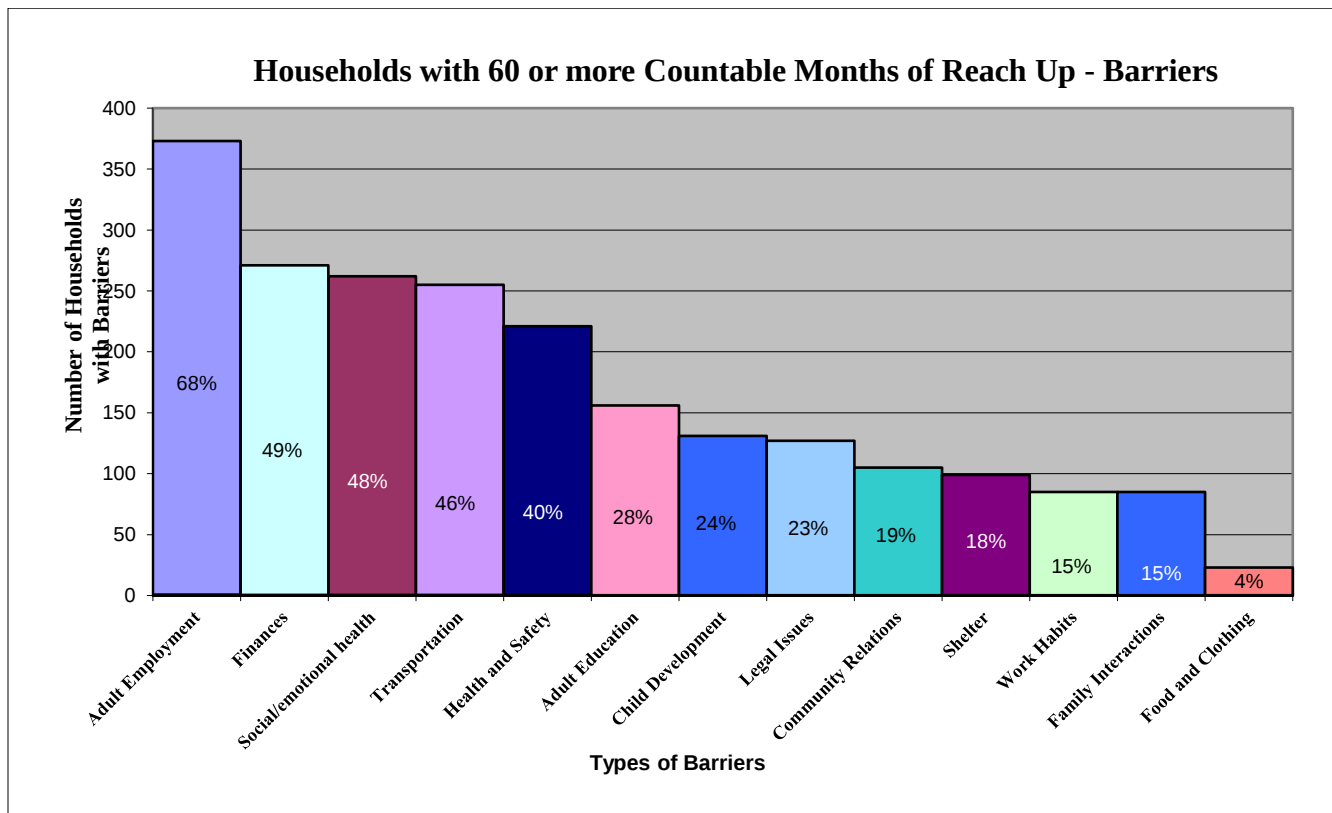
| Family Size | Outside<br>Chittenden<br>County | Chittenden<br>County |
|-------------|---------------------------------|----------------------|
| 1           | \$434                           | \$458                |
| 2           | \$535                           | \$560                |
| 3           | \$640                           | \$665                |
| 4           | \$726                           | \$750                |

## Section 8

### Profiles of Families with 60 Countable Months of Reach Up

During the last fiscal year, 549 families were already at or had newly reached their 60-month limit. These families had a total of 2,193 barriers. There were 269 average monthly cases at the 60-month limit.

The most significant barrier in this population is adult employment, with 68% of these families presenting with poor or no work history, or no employment opportunities. This is notably higher than the overall Reach Up population where 53% report employment history and opportunity as a barrier.



#### An in-depth look at time limit leavers<sup>9</sup>

Between November 2015 and October 2016, DCF identified 276 instances of cases leaving Reach Up due to time limits. This period was selected in order to examine leavers' use of support programs and their likelihood of returning to Reach Up during the 12 months following their "forced" (due to time limits) exit from Reach Up.

Some families had multiple instances of being forced to leave Reach Up between November 2015 and October 2016 because they left, returned to Reach Up and then left again within this period. For this reason, the number of *unique* families forced to leave Reach Up during this period was 189. For families that exited Reach Up more than once, this analysis focused on the experiences related to their earliest Reach Up exit during November 2015 through October 2016.

<sup>9</sup> Information in the remainder of Section 8 prepared and written by Black-Plumeau Consulting, LLC  
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The average number of families forced to leave Reach Up due to time limits each month during November 2015 and October 2016 was 21% lower than in the prior year.

### **Most time limit leavers continued to use 3SquaresVT**

A small percentage of the families forced to leave Reach Up because of time limits stopped using the 3Squares VT program during the first two months after leaving RU. The percentage using 3Squares dropped from 99.5% in the exit month to 93.7% two months after leaving Reach Up. However, during the entire 12-month period after exiting Reach Up, 99.5% of the time limit leavers had used 3Squares at some point—slightly higher than the rate among leavers a year earlier.

|                                       | <b>Use of 3SquaresVT after forced Reach Up exit</b> |                         |                         |                                         |
|---------------------------------------|-----------------------------------------------------|-------------------------|-------------------------|-----------------------------------------|
| <b>Period of forced Reach Up exit</b> | In exit month                                       | 1st month after RU exit | 2nd month after RU exit | At any time during 12 months after exit |
| <b>Nov 2015-Oct 2016</b>              | 99.5%                                               | 97.4%                   | 93.7%                   | 99.5%                                   |
| <b>Nov 2014-Oct 2015</b>              | 98.6%                                               | 95.4%                   | 92.8%                   | 98.6%                                   |

### **About 25% used GA during the year after leaving Reach Up**

About 25% of families used the GA program during the 12 months after their forced Reach Up exit. This is identical to the rate of GA usage among the time limit leavers a year earlier.

|                                       | <b>Use of GA after forced Reach Up exit</b> |                         |                         |                                         |
|---------------------------------------|---------------------------------------------|-------------------------|-------------------------|-----------------------------------------|
| <b>Period of forced Reach Up exit</b> | In exit month                               | 1st month after RU exit | 2nd month after RU exit | At any time during 12 months after exit |
| <b>Nov 2015-Oct 2016</b>              | 5.3%                                        | 6.3%                    | 4.2%                    | 25.4%                                   |
| <b>Nov 2014-Oct 2015</b>              | 6.9%                                        | 5.2%                    | 4.0%                    | 25.4%                                   |

48% of the cases who used GA after leaving Reach Up due to time limits used it for housing (homeownership, rental, room and temporary housing). During the prior year, even more of the time limit leavers who used GA, used it for housing reasons (73%).

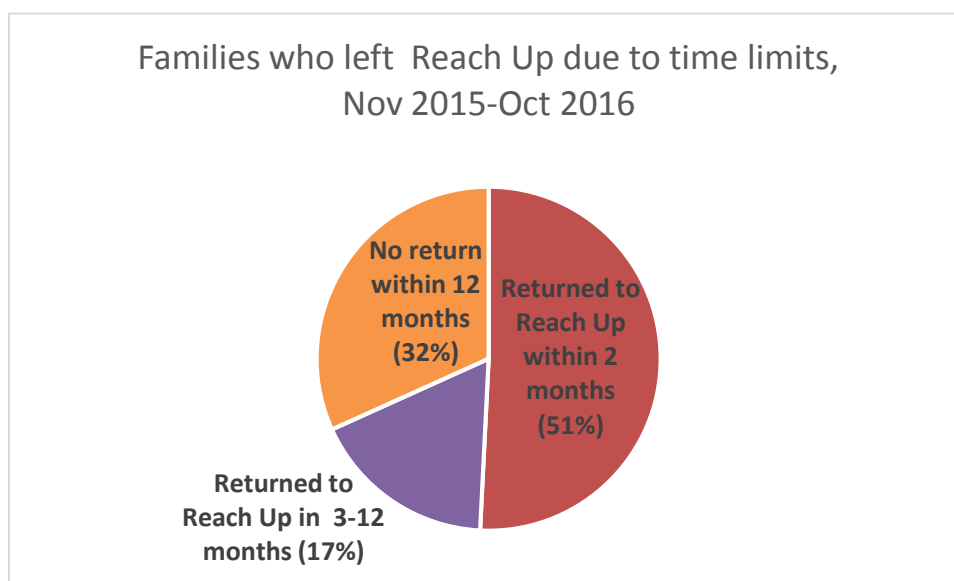
### Types of GA used during the year after forced Reach Up exit

|                                        | Types of GA used by<br>Nov 2015-Oct 2016<br>leavers | Types of GA used by<br>Nov 2014-Oct 2015<br>leavers |
|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Groceries and PNI                      | 35%                                                 | 13%                                                 |
| Home Ownership/Rental                  | 9%                                                  | 3%                                                  |
| Room                                   | 5%                                                  | 5%                                                  |
| Perm Housing > \$ Max                  | 0%                                                  | 2%                                                  |
| Temp Housing/Catastrophic (1-28 days)  | 20%                                                 | 34%                                                 |
| Temp housing/catastrophic (29-84 days) | 8%                                                  | 14%                                                 |
| DOC release/\$1 FS                     | 0%                                                  | 1%                                                  |
| Dental                                 | 8%                                                  | 6%                                                  |
| Vermont rental subsidy                 | 6%                                                  | 13%                                                 |
| Over limit exception                   | 2%                                                  | 9%                                                  |
| Utilities / Fuel                       | 5%                                                  |                                                     |
| Burial                                 | 2%                                                  |                                                     |
| <b>Total</b>                           | <b>100%</b>                                         | <b>100%</b>                                         |

### **Many forced leavers later returned to Reach Up**

Of all the families who left Reach Up due to time limits from November 2015 – October 2016, 60 families (32%) remained off the program for the 12 months after their exit.

Of the 93 families who remained off the program for at least 2 months, 33 families (38% of those who remained off for at least two months) returned to the Reach Up program between the 3<sup>rd</sup> and 12 month after their initial exit. This is a higher return rate than during the prior year (33%).



## Conclusion

The number of Vermonters needing Reach Up financial assistance has continued to decline over the last year. Conversely, the Reach Ahead caseload has increased, indicating that many Reach Up participants are moving successfully off the program and into employment. However, current participants are still experiencing significant challenges including financial, transportation, and health issues. Continual improvements to the program aim to use nationally recognized best-practices to serve low income families with a high degree of compassion, knowledge, and accountability. Some of these enhancements include:

- Providing on-going professional development to staff so they can serve participants in ways that are most effective
- Integrating financial capability into the program including savings incentives and credit building
- Working with Mathematica Research Organization to develop a Strategic Plan, Mission and Vision for Reach Up
- Continuing efforts to serve the whole family, by using 2-Gen core concepts
- Teaming with the Family Services Division, Parent Child Centers, housing organizations, and mental health/substance use services to coordinate services for families
- Home visiting pilot in Newport

With these enhancements, participants are reaching their goals and achieving employment. Reach Up is providing needed services to help improve child well-being, and to improve prospects for those children in the future.

Reach Up fulfills an important role in reducing poverty in Vermont. We recognize that it is only in close collaboration with other state agencies, departments, community organizations, and businesses that the most effective work will be done. Reach Up strives to work as part of a community to provide all Vermont families an opportunity for a better future.