
**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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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, case management, and support services to very low-income Vermont families whose income is generally below 45% 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 case management as parents pursue a two or four-year higher education degree. These critical programs guide approximately 2,600 Vermont parents and caretakers¹ on their journey to enter or re-join the workforce and provide nearly 6,600 Vermont children with household income that helps provide for basic needs.

Most data in this report, unless stated otherwise, are for the period October 1, 2018 through September 30, 2019 (federal fiscal year 2019). Data reported in Sections 3 (Reach Up leavers’ participation in 3SquaresVT) are for the period July 1, 2018 through June 30, 2019 (state fiscal year 2019). Most data are extracted from the state’s ACCESS system. In some cases, data are collected manually, through surveys, spreadsheet tracking, or case reviews.

Work throughout 2019 has continued to promote an organizational culture shift that reflects current research on goal attainment and coaching models of case management. Many families consistently face obstacles to entering the workforce – both individual and systemic. These include the lack of affordable childcare, shortage of affordable housing options, deficits in work experience and job skills, transportation challenges, struggles with mental health and substance use, and not having enough money to meet basic needs. On average, the obstacles facing families who have received more than 60 months of Reach Up are far greater. In some cases, such as mental health and transportation, families who have received long term assistance experience challenges up to *double* the rate of other participating families. However, Reach Up is able to mitigate these obstacles to a degree. Program initiatives and the grant increase in August 2019 have helped. Financial support services, childcare subsidy, participant-driven and goal-oriented case management, and connections to other services in the community contribute to promoting family wellbeing and moving into employment. Studies by independent contractors, Leslie Black-Plumeau and Yale University, give us more insight into the challenges families face and how we can design the program to alleviate these challenges. Again this year, Reach Up has met the federal Work Participation Rate thus demonstrating that a goal-centered approach is helping participants move into employment and off the Reach Up program.

Families continue to make progress towards their goals while participating in the Reach Up program, enabling them to enter the workforce or take necessary steps towards entering the workforce. This financial support, though low, provides a crucial safety net while families work towards employment. It also provides critical support for children; well-documented research shows that children who have benefited from financial assistance programs have better outcomes, even as adults. Adults who are obtaining employment are earning wages higher than ever, even when adjusted for inflation.

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 1296 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 2019

Goal-Oriented Coaching Approach

The Reach Up program continues to work with Mathematica Policy Research on developing and refining strategies to help participants succeed in entering the workforce. “Mathematica Policy Research is a pioneering nonpartisan research organization dedicated to improving public well-being.” More information about Mathematica is available here: <https://www.mathematica-mpr.com/about-mathematica>. In the last year, the program has also been honored to receive expert technical assistance from Dr. LaDonna Pavetti, Ph.D., of the Center for Budget and Policy Priorities. Dr. Pavetti has been researching and implementing solutions for TANF programs for the last 20 years.

Reach Up case managers use a strength-based, coaching model of case management, in which a mutually trusting and respectful relationship is built. Recently, case managers transitioned to using a goal-setting tool called “Stepping Stones,” which includes questions about family and child well-being. This tool was chosen specifically to complement the movement in Reach Up towards a science-based approach to helping participants achieve their goals. Coaching builds upon intrinsic motivation to help participants pursue goals which are personally meaningful to them. Empowering participants in this way increases their level of trust in their case manager, enabling case managers to more easily determine the strengths and challenges of each family, and connect them to appropriate resources. Setting and achieving goals is also key to strengthening critical core adult capabilities needed for financial stability, family well-being, and healthy parenting.² The development of responsive relationships between case managers and participants models the healthy relationships needed within families to mitigate the effects of stress.³ This work has been guided and facilitated by nationally renowned experts from Mathematica Policy Research and Dr. LaDonna Pavetti, Ph.D., of the Center for Budget and Policy Priorities, and uses research to inform best practices.

Benefit Increase

The Department calculates a basic needs standard that is based on needs considered essential to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, and special needs. For more than a decade the basic needs standard remained at the 2004 level. In August 2019, the Department implemented an increased basic need standard deduction, allowing Reach Up participants to be able to cover more of their combined basic needs. The basic need standard changed to the 2008 level as follows⁴:

² *The Science of Adult Capabilities*, <https://developingchild.harvard.edu/science/deep-dives/adult-capabilities/>

³ *Goal 4 It: Science-Informed Approach to Achieving Economic Independence*, Michelle Derr, Ph.D. and Jonathan McCay, Mathematica Policy Research

⁴ To calculate the grant, the basic needs standard is added to the shelter standard (up to \$450), and then the sum is “ratably reduced” by 49.6%.

Number of household members	1	2	3	4	5	6	7	8	9+
Old standard	475	680	891	1064	1247	1372	1589	1769	+170/pp
New standard	585	771	1011	1209	1418	1560	1803	2012	+193/pp

Due to this increase, the maximum grant sizes increased as follows⁵:

Family Size	Outside Chittenden County Prior to August, 2019	Outside Chittenden County Beginning August, 2019	Chittenden County Prior to August, 2019	Chittenden County Beginning August, 2019
1	434	489	458	513
2	535	581	560	606
3	640	700	665	725
4	726	798	750	823

Decrease to the Parent’s countable SSI income in the Reach Up Budget

Since 2015, the Department has been counting a portion of a parent’s SSI payment as unearned income when determining the family’s monthly benefit amount. On August 1st, 2019, the countable amount of a Parent’s SSI payment as income to determine the Reach Up benefit decreased from \$115 to \$77.⁶ This change increased the household’s monthly Reach Up benefit amount, resulting in a \$38 increase per month for these families.

Addressing Transportation Obstacles

Owning a car is one of the most important factors for economic mobility.⁷ Every year, the Reach Up program purchases approximately 60 cars through Good News Garage for families across the state to help them obtain or maintain employment. Data show that the transportation barrier for families has been slowly decreasing over the last few years, due in part to the resources devoted to addressing this, and to the case managers’ focus on helping families obtain licenses and pay off fines. An analysis of families who received cars through Reach Up showed higher wages seven months later. For families who were not yet employed when they received a car, they were significantly more likely to get a job than those who did not receive a car. The impacts of car ownership are further reaching than employment, affecting the entire family and offering previously unavailable opportunities. Participants describe a sense of pride when they can pick their children up at school. Kids have access to extracurricular activities, and parents can look for more affordable housing options and better jobs in different areas of the state.

⁵ If shelter expenses exceed \$400 per month outside Chittenden County or \$450 in Chittenden County, the grant increases the figures listed by up to \$45 per month.

⁶ Act 72 of 2019, Section E.323.1

⁷ Evelyn Blumenberg and Gregory Pierce, *The Drive to Work: The Relationship between Transportation Access, Housing Assistance, and Employment among Participants in the Welfare to Work Voucher Program*, <https://journals.sagepub.com/doi/10.1177/0739456X16633501>

Post-Secondary Education (PSE)

The role of post-secondary education in economic mobility is clearly documented. A PSE graduate earns, on average, double the income of a participant leaving the Reach Up program for employment. For more recent PSE graduates the number is even more promising. The median income of students who graduated from PSE in 2017 was \$30,639, compared to the \$20,703 median income of students who graduated in 2013⁸.

2019 Post-Secondary Education (PSE) highlights:

- Our PSE program continues to grow each year. In September 2018, we had 91 participants; by September 2019, the number of participants increased to 98⁹.
- Over the last year, we have updated and streamlined our forms to make the application process easier for students.
- Because the majority of PSE students begin their college career at CCV, we have worked hard to build a stronger working relationship with CCV. We hold quarterly meetings with CCV to share resources and brainstorm different ways we can increase participation in the PSE program.
- Through our collaboration with CCV, we have brought numerous resources to our staff including a presentation on Dual Enrollment and Prior Learning Assessment. Each district has made local connections with CCV academic advisors, which allows them to work together at a local level as well.

Mental health Outreach for MotherS (MOMS) Partnership®

In the spring of 2018, Reach Up was chosen through a competitive process to be one of the nation's first TANF programs to replicate this evidence-based program developed by Yale University to address the mental health needs of mothers. The program has seen impressive results, with participants in the program experiencing a dramatic decrease in depressive symptoms, increase in workforce engagement, and increase in follow through on treatment. Implementation is estimated to begin in early 2020 in Burlington.

For more information on the impact of this program: <https://medicine.yale.edu/psychiatry/moms/impact/>

Reach Up has spent the last year planning for implementation with technical assistance from Yale University. Progress includes:

- Development of a “Guide Team,” a group of local service providers and experts in the field on maternal mental health and non-profits serving low income mothers;
- Completion of the Goals and Needs Assessment, a survey of 140 mothers in Reach Up. The survey was developed by Yale University social scientists and analyzed by data experts at Yale, and provides valuable information about families receiving Reach Up;
- Ongoing work on a “long term Reach Up study,” which looks at the characteristics of families who have been receiving assistance long term.

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

⁸ 2017 Reach Up Leavers, Leslie Black-Plumeau and Robert McIntyre, October 1, 2019

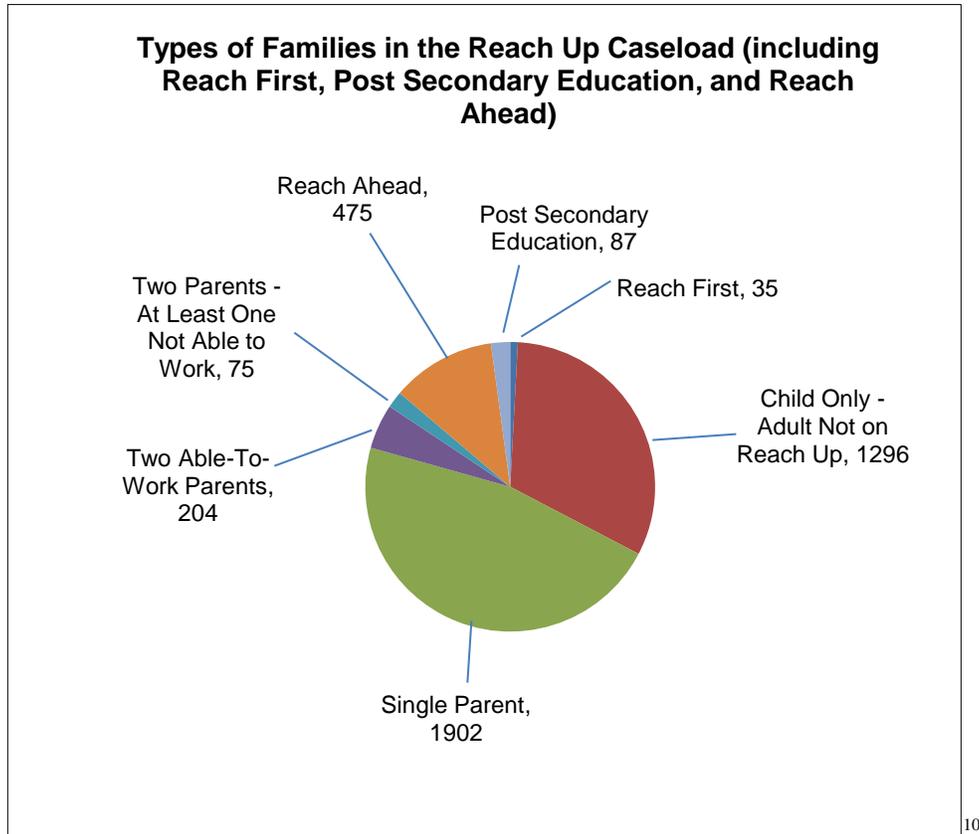
⁹ This is a point in time count of students matriculating for the fall semester; these numbers do not match the data provided later in this report.

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 2018 through September 2019:



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)
Child Only (child's parent or caretaker is not on Reach Up)	0
Single Adult	1902
Two Able-To-Work Adults	408
Two Adults, At Least One Not Able to Work	151
Total Adults	2583¹¹

¹⁰ Household level data

¹¹ Individual level data

Reach Up Participants with Barriers

Reach Up Case Managers assess participants' strengths and barriers to employment on an ongoing basis. 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. Additionally, in 2019 Reach Up conducted a survey designed by Yale University for mothers in Reach Up living in Chittenden and Franklin counties. This study, called a "Goals and Needs Assessment," provided additional data about strengths and obstacles families participating in Reach Up experience.

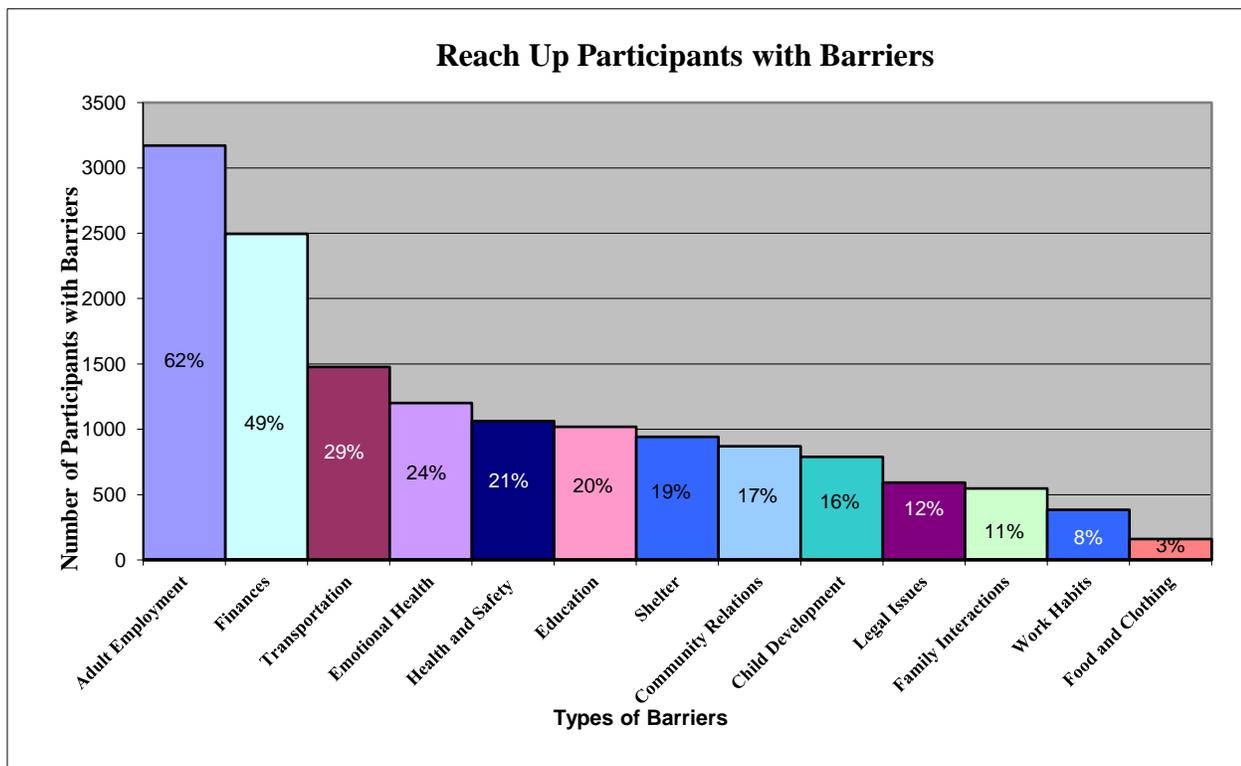
Some of the most significant obstacles Reach Up participants face include:

- **Availability of affordable childcare** – Reach Up provides a full childcare subsidy for participating families. It also offers a deferment for parents to delay the work requirement in order to care for their children under age two. However, the availability of childcare (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. According to the Goals and Needs Assessment, nearly 65% of respondents reported an issue with childcare within the last year. Most of those cite unaffordability and lack of childcare options as the specific issues. Many of those who experienced childcare challenges noted that it affected their ability to work.
- **Housing** – The Reach Up grant is not high enough to cover market rent in most Vermont towns, and only one quarter of Reach Up participants live in subsidized housing. Additionally, housing stock is severely limited. The Goals and Needs Assessment found that more than half of mothers surveyed screened positive for housing insecurity. However, the case management support provided by Reach Up does help mitigate these obstacles to a degree. For example, 51% of families experienced an improvement in their housing situation after participating in the program for one to two years.¹²
- **Work skills and experience** – Most Reach Up participants still move into low-wage work, however, wages are gradually increasing. Reach Up contracts with Vermont Adult Learning, The Vermont Association of Business Industry and Rehabilitation (VABIR), and Parent Child Centers to provide job coaches and employment specialists.
- **Transportation** – This barrier has gradually decreased over the last several years and has decreased again from 31% in 2018 to 29% in 2019. 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. The Goals and Needs Assessment found that lack of transportation caused nearly one-third of participants to lose a job, and over half to miss a doctor's appointment for someone in the family (including children). Despite the decrease in overall transportation barriers as noted above, 61% reported at least one issue with transportation in the previous 6 months. Even when transportation exists, it is often precarious. Families face expensive car repairs, unaffordable fines, unexpected break downs due to unreliable cars, etc.
- **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, starting in February 2020, mothers participating in Reach Up in Chittenden County may have the opportunity to participate in the Vermont MOMS PartnershipSM, a program that addresses maternal depression with proven results in improving employment outcomes and reducing depressive symptoms.
- **Finances** – Though the cost of living increases steadily, and housing costs in particular have skyrocketed, the Reach Up grant remained stagnant until 2019 when it increased slightly. This was

¹² Black-Plumeau, L and McIntyre, R, *Emergency Housing Program by families receiving Reach Up*
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the first increase in benefits families received in 14 years, which helps them meet more of their basic needs. Pilots such as the Financial Empowerment program, which enable families to build assets 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. Scientists have likened living in chronic poverty to trying to function with a missed night of sleep.¹³ The toxic stress associated with poverty (especially long term), affects the ability of both adults and children to plan for the future.

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 2018 to September 2019, case managers assessed 5,080 participants and found 14,710 barriers, an average of 2.9 barriers per participant. The average number of barriers per participant has been slowly increasing since 2012 when the average number of barriers per participant was 2.2. Though caseloads continue to decrease, the participants remaining on Reach Up have more obstacles and challenges to overcome as they work towards 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, 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

¹³ Mullainathan, S and Shafir, E, *Scarcity: Why Having Too Little Means So Much*
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- **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

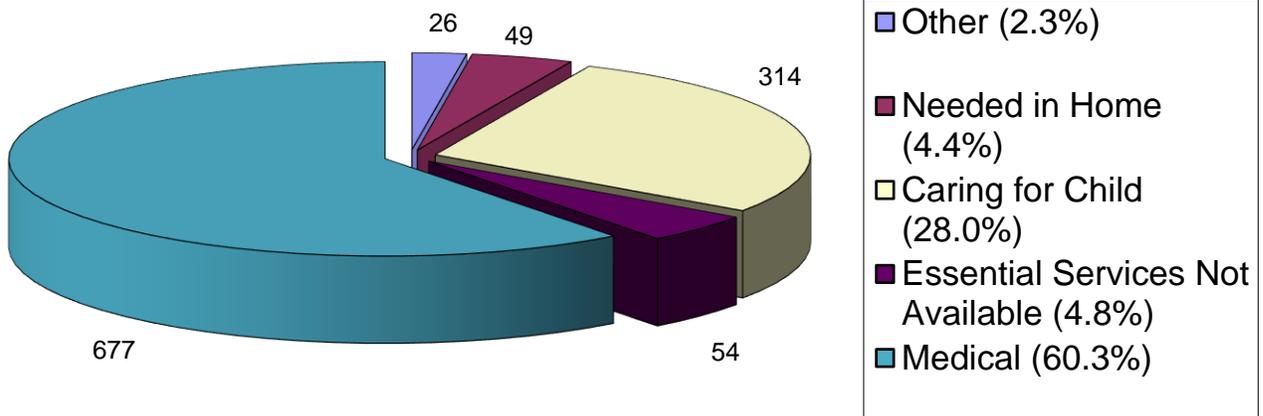
To help mitigate these obstacles, Reach Up provides incentives and support services designed to help families reach their employment goals. Support services improve participants’ prospects for employment and job retention. The need for support services is determined during assessment, reassessment, and during the creation and modification of the Family Development Plan. Reach Up provides a wide range of support services including payment for childcare and transportation. Case managers also use the “*Your Money, Your Goals*” toolkit to integrate financial capability into the program and to 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 29%.

It is important to remember that these obstacles can have profound effects on the children in these families. Some obstacles, such as housing insecurity, can literally affect the developing brains of young children. There is strong research to suggest that factors such as increased income, stable housing, enough food to eat, and high-quality childcare in the early years improves outcomes for children for decades. Devoting resources to families to address these barriers not only affects parental ability to enter the workforce today, but also results in greater school success for their children and an increased likelihood that children will enter the workforce in the future.

Reach Up Participants with Deferments from the Work Requirement

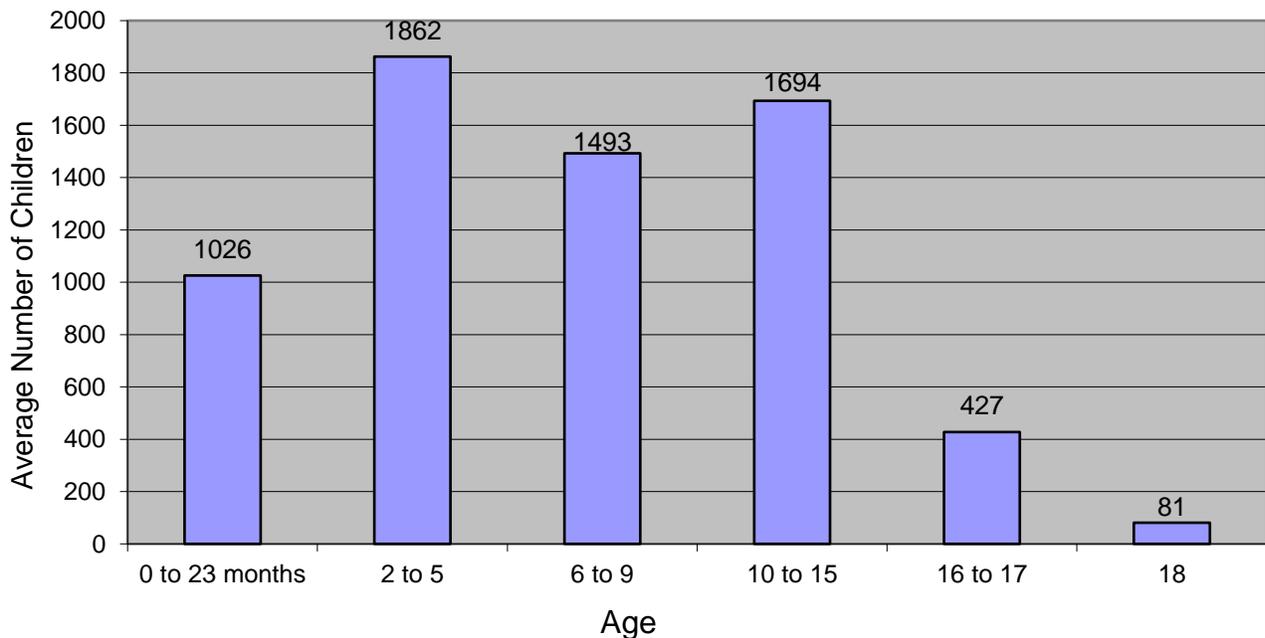
A deferment is a temporary postponement of the program’s full work requirement. A deferred participant must have a Family Development Plan that includes an employment goal. They also participate in activities that address the reason for the deferment, ultimately leading to the achievement of the employment 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. Figures in the chart below represent the deferment status of adults with a work requirement:

Families with Deferments



Average number of families with deferments per month:
1122

Ages of Children in Families Receiving Reach Up



The above chart illustrates the ages for a monthly average of 6,583 children who received Reach Up assistance from October 2018 through September 2019. Approximately 44% are under age 6, a critical time in child development; 56% are age 6 or over. 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 2.

Independent Medical Review Team

The Department contracts with two physicians and a nurse practitioner to review medical deferment requests to determine whether to uphold the original treatment provider’s recommendation, modify it, or to deny the request.¹⁴ The Medical Review Team’s expertise includes psychology/mental health, pediatrics, and general practice. In FY19, 719 medical deferment requests were reviewed and most of those decisions resulted in a modified work requirement or brief deferment followed by modification; 349 of these were duplicative reviews¹⁵. The following chart illustrates a breakdown of cases reviewed during the last fiscal year:

Deferment Determination Breakdown

	Denial	Modification	Deferment followed by Modification	Full Deferment	Total
Needed In the Home¹⁶	0	25	36	33	94
Medical	6	235	306	78	625
Total	6	260	342	111	719

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 2018 through September 2019. It does not include the Postsecondary Education program. The last chart illustrates the number of families that moved off assistance.

Participant Employment Data

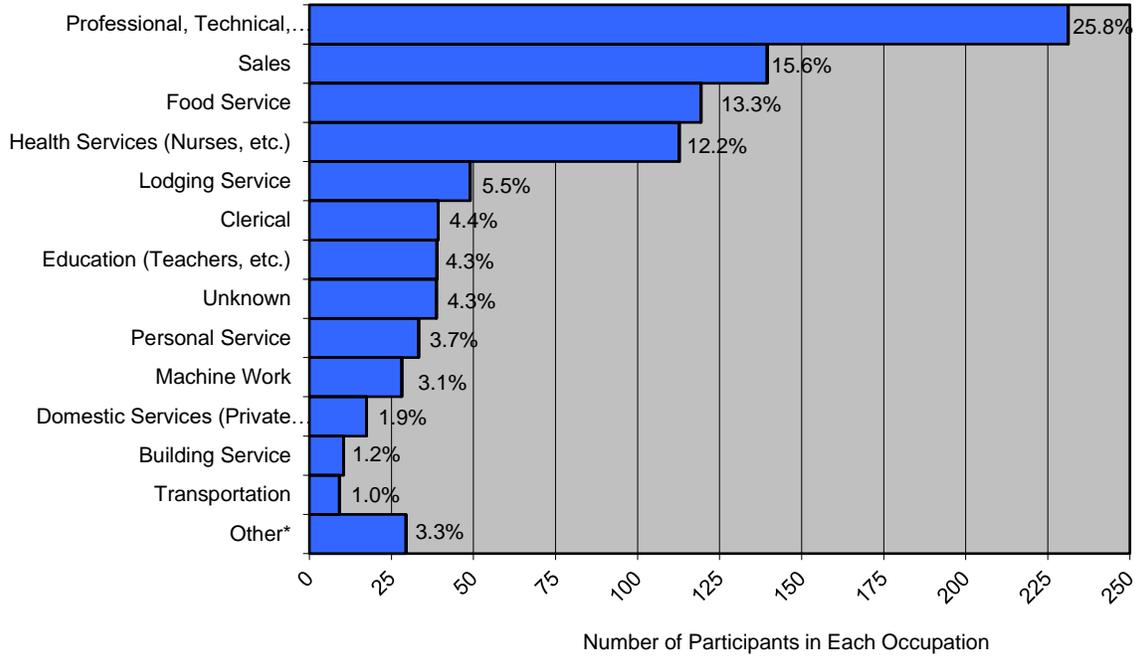
The charts below illustrate occupations of an average of 896 Reach Up and Reach Ahead participants per month who are working. Of the 896 participants, 564 are in the Reach Ahead program. Within Reach Up, 332 are working; this figure demonstrates that 13% of adults in Reach Up work while remaining eligible for the program.

¹⁴ The medical review process was implemented pursuant to 33 V.S.A. 1114(b)(5) and (d).

¹⁵ Duplicative reviews are cases where the timeframe for the deferment has ended, and they are being reviewed again for possible continued deferment or modification.

¹⁶ Needed in the home to care for a seriously ill or disabled family member, usually a child

**Reach Up Participants Employed by Occupation
October 2018 through September 2019**



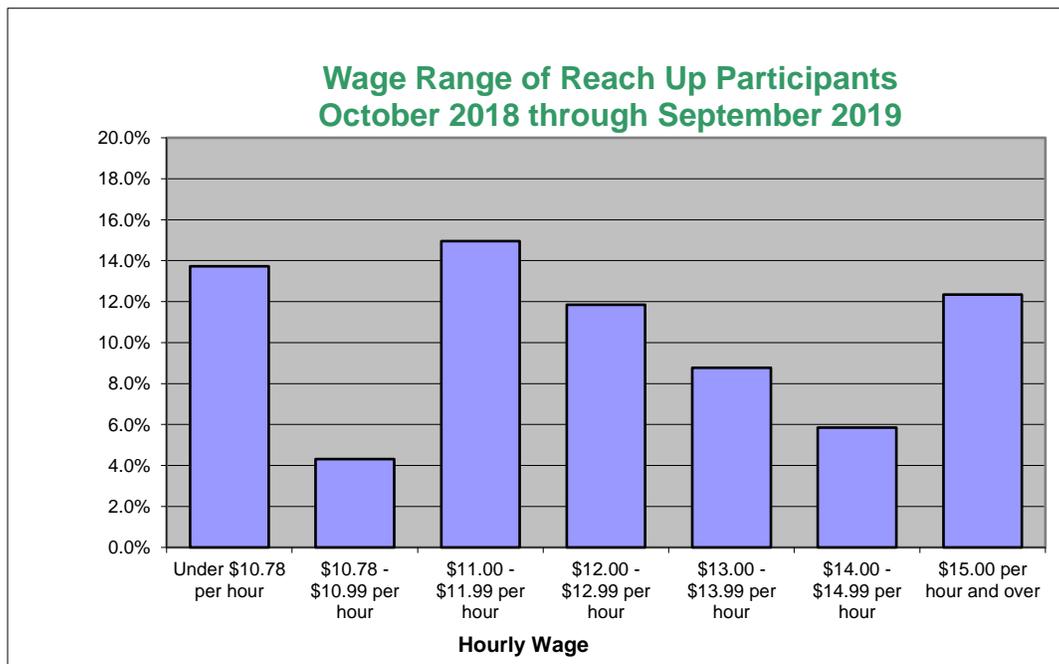
**Reach Up Participants Employed by Occupation
October 2018 through September 2019**

Occupation	Average Number of Participants	Percentage in Each Occupation
Other*	29	3.3%
Transportation	9	1.0%
Building Service	10	1.2%
Domestic Services (Private Homes)	17	1.9%
Machine Work	28	3.1%
Personal Service	33	3.7%
Unknown	39	4.3%
Education (Teachers, etc.)	39	4.3%
Clerical	39	4.4%
Lodging Service	49	5.5%
Health Services (Nurses, etc.)	113	12.6%
Food Service	119	13.3%
Sales	139	15.6%
Professional, Technical, Managerial	231	25.8%
Total Participants Employed	896	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 2018 through September 2019		
Industry	Percentage in Each Industry	Average Number of Participants
Services	53.2%	476
Retail Trade	9.7%	87
Transportation & Public Utilities	7.8%	70
Manufacturing	4.4%	39
Government	0.9%	8
Agric/Forestry/Fishing/Mining	0.7%	7
Construction	0.7%	6
Wholesale Trade	0.4%	4
Finance/Insurance/Real Estate	0.2%	2
Other/Unknown	22.1%	198
Total Participants Employed		896

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 \$10.78 per hour, Vermont’s 2019 minimum wage. The percentage of participants making at least \$12 per hour has increased every year in the last three: 25% in 2017, 33% in 2018, and **39% in 2019**. The number of participants earning wages in the highest bracket of at least \$15 per hour increased from 8.7% in 2018 to 12.3% in 2019.



Reach Up Participants by Wage Range October 2018 through September 2019		
Wage	Percentage in Wage Range	Average Number of Participants
Under \$10.78 per hour	13.7%	123
\$10.78 - \$10.99 per hour	4.3%	39
\$11.00 - \$11.99 per hour	15.0%	134
\$12.00 - \$12.99 per hour	11.9%	106
\$13.00 - \$13.99 per hour	8.8%	79
\$14.00 - \$14.99 per hour	5.9%	52
\$15.00 per hour and over	12.3%	111
Unknown	27.7%	248
Average Participants Employed Per Month		896

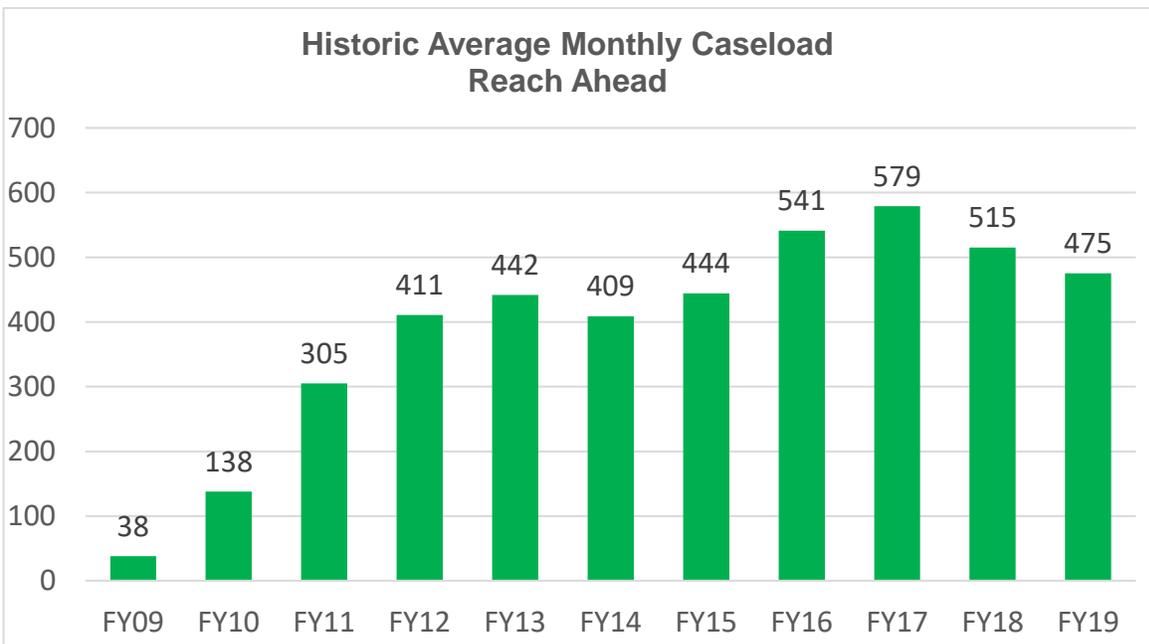
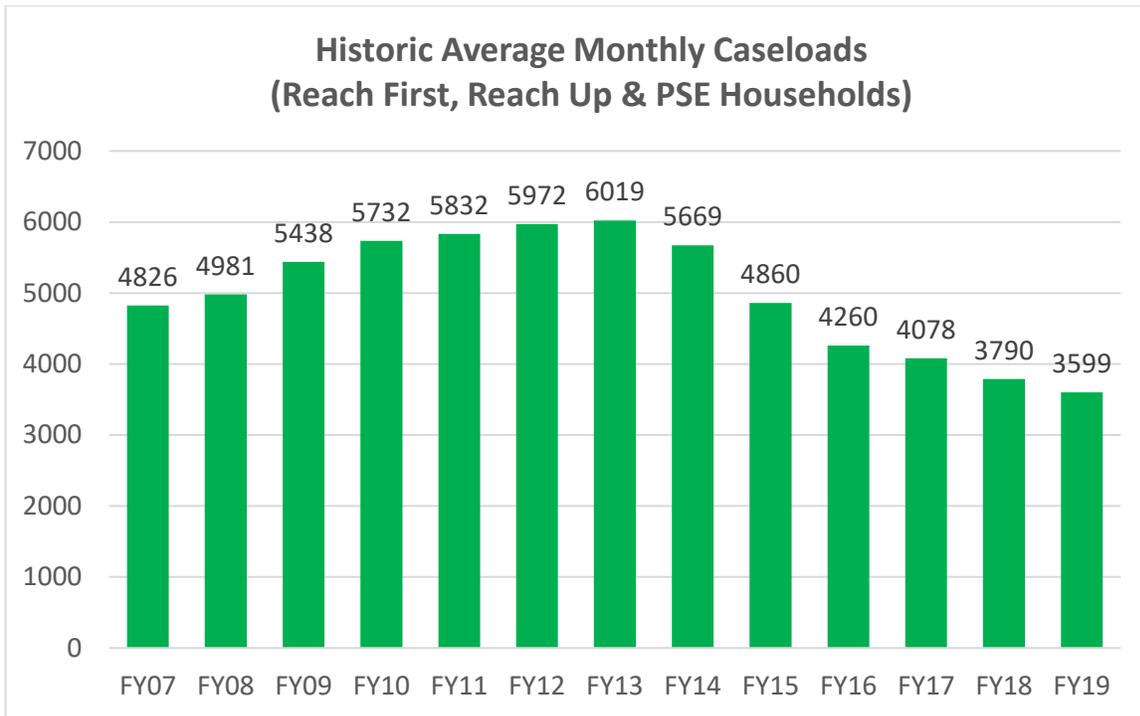
Adults Participating in Training and Education Programs

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. These participants are included in the table below:

Parents Participating in Training and Education Programs October 2018 through Sept 2019	
Activity Type	Average Number of Participants
Work Experience	99
On-the-Job Training	0
Vocational Education	26
Job Skills Training	9
Education Related to Employment	8
Satisfactory School Attendance	28
Average Participants per Month:	170

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 Plans. A small portion of the decline can also be attributed to families who left Reach Up after time limits were implemented in May 2014. Despite the trend in declining caseloads over the last few years, it is expected that this decrease will level off and start to increase again in the next few years.



Section 3: 3SquaresVT Participation of Reach Up Leavers

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2019. An average of 2,159 families left Reach Up each quarter; an average of 1,799 or 83% of these families were still off Reach Up 4 months later. When they left Reach Up, 88% of these families were receiving 3SquaresVT benefits; 4 months later, 61% still received 3SquaresVT.

Reach Up Leavers' Participation in Food Stamps-- Fiscal Year 2019					
	Quarter Ending Sep '18	Quarter Ending Dec '18	Quarter Ending Mar '19	Quarter Ending Jun '19	Average
1. Total number of individuals who left Reach Up	2,270	2,189	2,096	2,081	2,159
2. Those in #1 who were not receiving Reach Up in the 4th month after leaving Reach Up	1,928 85%	1,846 84%	1,722 82%	1,699 82%	1,799 83%
3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving Reach Up	1,717 89%	1,589 86%	1,542 90%	1,466 86%	1,579 88%
4. Those in #3 who were also enrolled in 3SquaresVT in the 4th month after leaving Reach Up	1,047 61%	993 62%	901 58%	893 61%	959 61%

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.¹⁷

Section 5: Summary of Reports by Contractors

Leslie Black-Plumeau, an independent contractor with the DCF, submitted a *2017 Reach Up Leavers: Employment, earnings and use of support programs of families after leaving Reach Up* in October 2019. The following excerpt is taken from that report, written by Leslie Black-Plumeau and Rob McIntyre:

Summary:

- *Families who left Vermont's Reach Up program in 2017 fared better in terms of employment and earnings than their counterparts in 2013—the last time a study like this was conducted. More of the 2017 leavers were employed and they had higher earnings during the year after leaving Reach Up.*
- *The 2017 leavers faced an economy that was even better than during the recovery's early years when the 2013 leavers were looking for work. In 2018, the unemployment rate averaged 2.8%--the lowest point in Vermont since the Great Recession.*
- *During the year after they left Reach Up, 81% of the 2017 leaver families worked at some point. Their median annual earnings over the course of the year were about \$15,000—up from \$12,000 among the 2013 leavers.*
- *Most of the families did not return to Reach Up during the year after their initial 2017 exit, but 32% returned at least once—virtually unchanged from the return rate among the 2013 leavers.*

The report is available on the DCF website here:

<https://dcf.vermont.gov/sites/dcf/files/2017%20Reach%20Up%20Leavers%20Report.pdf>

A report submitted by Leslie Black-Plumeau Consulting, LLC. on families who left Reach Up due to time limits, is included in Section 8 of this report.

¹⁷ Health Benefits Eligibility and Enrollment rule § 7.03(a)(6)(i).

Elevate, an organization of Yale University, compiled the *Goals and Needs Assessment Results* as part of implementation for the Vermont MOMS Partnership™.

Major findings from this survey-based research include:

- 97% of respondents indicated an interest in participating in the soon-to-launch Vermont MOMS Partnership™, showing a strong desire for mothers to improve their mental health status.
- The most common barriers mothers reported included transportation, childcare, ability to afford enough food and diapers, lack of social connection, and housing insecurity.
- Many of the above barriers are specifically associated with increased depressive symptoms in the mothers surveyed.

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.¹⁸ 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 (Two-Parent Families). 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:

TANF Work Participation Rates, Federal Fiscal Year 2018		
	All Families	2-Parent Families
1st quarter	47.1%	55.8%
2nd quarter	48.0%	57.4%
3rd quarter	46.5%	62.2%
4th quarter	43.6%	57.0%
Average ¹⁹	46.3%	58.1%

¹⁸ Further federal limitations on hours of participation and the age of participants in certain activities exist.

¹⁹ The Work Participation Rates are submitted quarterly to ACF, however the final calculations have not been finalized and released.

Caseload Reduction Credit (CRC)		
	All Families	2-Parent Families
Rate submitted to ACF20	43.5%	62.0%

Applying the CRC to the participation rates results in an 89.8 percent All Families rate and a 100 percent Two-Parent rate. Vermont is on-track to meet the 2019 Work Participation Rate for both All-Families and Two-Parent rates.

The Work Participation Rate is only one part of measuring participants’ journeys to financial stability. A large part of this progress 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 education in most circumstances. They also do not include addressing other major barriers to participation such as lack of childcare, transportation, or housing.

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 housing needs. This standard of combined basic needs increases according to household size from \$585 per month for a household of one, to \$2,012 per month for a household of eight. Each year the Department reports the current basic needs standard and budget which is 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 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. 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 2008.

The charts below illustrate the current basic needs for families of one to eight members; basic needs if adjusted in December 2019 for the cost-of-living increase; current housing costs; and housing costs if adjusted.

²⁰ The caseload reduction rates are submitted to ACF in December 2019; Vermont is waiting for confirmation of the caseload reduction rates.

Basic Needs and Housing Allowance

Family Size	Existing Basic Needs – 2008 Standards (last changed Aug 2019)	Basic needs if adjusted with the annual cost-of-living increase (Dec 2019)
1	\$585	\$655
2	\$771	\$958
3	\$1,011	\$1,256
4	\$1,209	\$1,502
5	\$1,418	\$1,762
6	\$1,560	\$1,939
7	\$1,803	\$2,240
8	\$2,012	\$2,499
Each additional person	\$193	\$240

Housing Allowances	Existing Housing Allowance (last changed Oct 2001)	Housing allowance if adjusted to the annual median cost (Dec 2019) ²¹
Chittenden County	\$450	\$634
Outside Chittenden County	\$400	\$589

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

Current Maximum Grants

As mentioned in the “Highlights” section of this report, the Reach Up grant amount changed in August 2019. The chart below shows the 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 Chittenden County	Chittenden County
1	\$489	\$513
2	\$581	\$606
3	\$700	\$725
4	\$798	\$823

²¹ Based on what participants report paying for housing. These figures are significantly lower than market rent, due to the combination of subsidized housing, “doubling up,” and other arrangements families must make to maintain housing.
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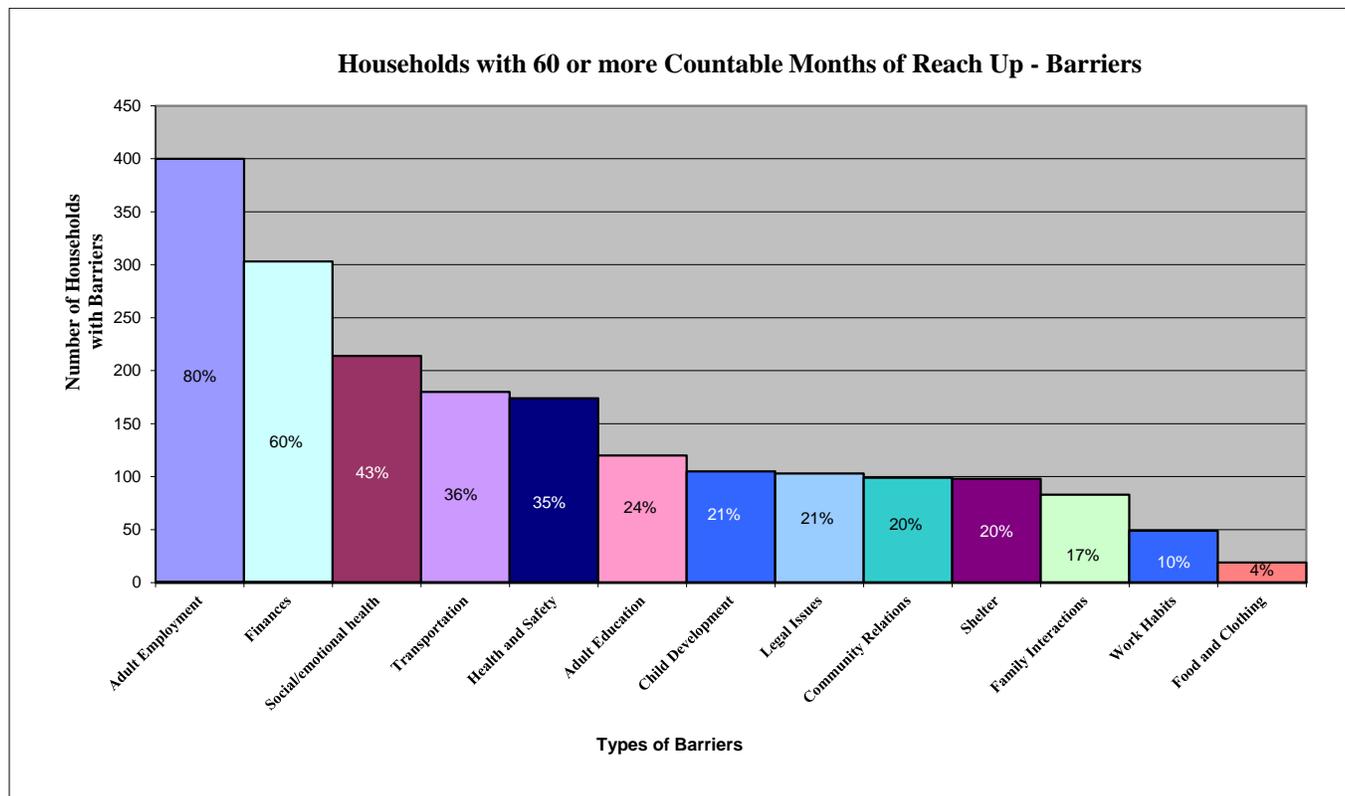
Section 8: Profiles of Families with 60 Countable Months of Reach Up

During the last fiscal year, there were 278 average monthly cases at the 60-month limit.

Families in this population face significantly higher rates of common barriers than those in the overall Reach Up population. The most significant barrier is adult employment in both groups. However, 80% of families who have received at least 60 months of assistance present with poor or no work history, or no employment opportunities, compared to 62% of the overall Reach Up population.

Additional comparisons include:

Barrier	Overall Reach Up Population	60 Month Population
Emotional Health	24%	43%
Health and Safety	21%	35%
Transportation	29%	36%



An in-depth look at time limit leavers²²

Between October 2017 and September 2018 (FFY 2018), DCF identified 155 instances of families leaving Reach Up due to time limits. This period was selected because the exit dates of these families would allow us to examine their use of support programs and their rate 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 in FFY 2018 because they left, returned to Reach Up and left again within this period. For this reason, the number of unique families

²² Information in the remainder of Section 8 prepared and written by Black-Plumeau Consulting, LLC
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forced to leave Reach Up during this period was 122, down from 166 a year earlier. For families who exited Reach Up more than once, this analysis focused on the experiences related to their earliest Reach Up exit during FFY 2018.

On average, 13 families were forced to leave Reach Up due to time limits each month during FFY 2018.

Most time limit leavers continued to use 3SquaresVT

Few families forced to leave Reach Up because of time limits stopped using the 3SquaresVT program after leaving Reach Up. The percentage using 3SquaresVT dropped from 97.5% in the exit month to 88.5% two months after leaving Reach Up. However, during the entire 12-month period after exiting Reach Up, 97.5% of the time limit leavers had used 3SquaresVT at some point—down slightly from the leavers a year earlier.

Use of 3SquaresVT after forced Reach Up exit

Period of forced Reach Up exit	In exit month	1st month after RU exit	2nd month after RU exit	At any time during 12 months after exit
Oct 2017-Sep 2018	97.5%	95.1%	88.5%	97.5%
Oct 2016-Sep 2017	99.3%	96.4%	94.4%	99.3%
Nov 2015-Oct 2016	99.5%	97.4%	93.7%	99.5%

About 30 percent used GA during the year after leaving Reach Up

About 30% of the leaving families used the GA program during the 12 months after their forced Reach Up exit. This is down from the 37% of GA use among the time limit leavers a year earlier.

Use of GA after forced Reach Up exit

	In exit month	1st month after RU exit	2nd month after RU exit	At any time during 12 months after exit
Families exiting Reach Up in Oct 2017-Sep 2018	4.9%	8.2%	7.4%	29.5%
Families exiting Reach Up in Oct 2016-Sep 2017	6.5%	7.7%	7.4%	36.7%
Families exiting Reach Up in Nov 2015-Oct 2016	5.3%	6.3%	4.2%	25.4%

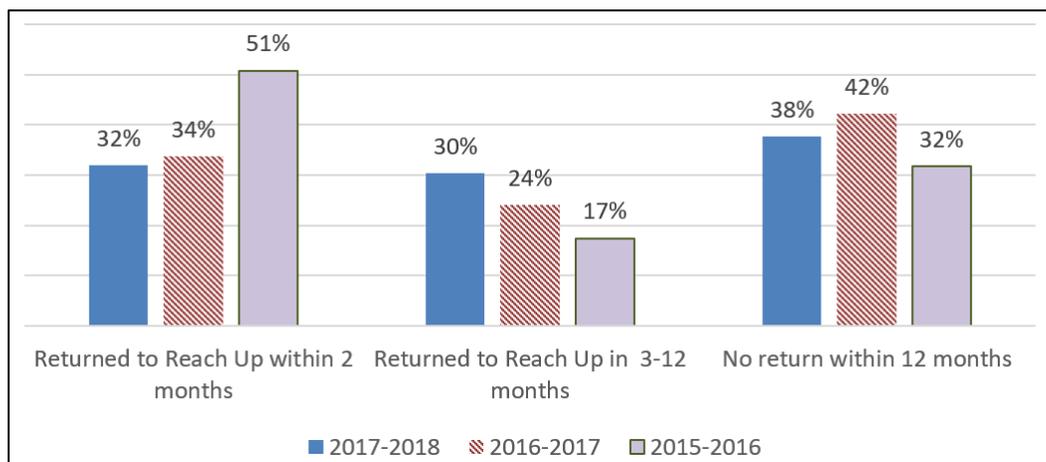
Getting help with housing continued to be the most common type of GA needed among the Reach Up time limit leavers; 82% of the families who used GA during the 12 months after leaving Reach Up used it for housing (temporary housing and rental assistance). This is up from 51% percent among the time limit leavers during the prior year.

Types of GA used during year after forced Reach Up exit	Oct 2017- Sep 2018 leavers	Oct 2016 - Sep 2017 leavers	Nov 2015 - Oct 2016 leavers
Groceries and PNI	8%	32%	35%
Home Ownership/Rental	0%	12%	9%
Room	3%	9%	5%
Temp Housing/Catastrophic (1-28 nights)	38%	19%	20%
Temp housing/catastrophic (29-84 nights)	18%	6%	8%
Temp housing/catastrophic (above 84 nights, cold weather exception)	15%	0%	0%
Dental	3%	7%	8%
Vermont rental subsidy	8%	5%	6%
Over limit exception	0%	3%	2%
Utilities / Fuel	0%	6%	5%
Burial	8%	2%	2%
Total:	100%	100%	100%

Many forced leavers later returned to Reach Up

Of all families who left Reach Up due to time limits in FFY 2018, 76 families (62%) returned to the program within 12 months after their exit—up slightly from 58% in the prior year.

Percentage of families who returned after their forced Reach Up exit



Thirty-two percent of the FFY18 leaver families returned within the first two months of their forced exit, similar to the 34% early return rate among FFY 2017 leavers.

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 childcare. 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. The financial grant is the same as a Reach Up grant, and 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 87 students per month participated in the PSE program during FFY19. This is a slight increase from FFY18, despite the trend of decreasing caseloads in the Reach Up program. Additionally, the point in time counts in August 2018 and August 2019 showed 91 and 98 participants respectively. The discrepancy could be due to the benefit source not yet transitioning from Reach Up to PSE at the time the data was extracted, and the point in time count versus the average. Regardless, it is encouraging to note that PSE participation continues to increase gradually.

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 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 frequently²³. 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.

Conclusion

In this last year, we have seen a positive trend in families leaving Reach Up with employment, higher wages, increases in the number of students in the PSE program, and a decrease in the percentage of transportation barriers. Once again, Vermont's Reach Up program is on track to meet the federal Work Participation Rate giving the program the flexibility to truly meet families where they are. This progress means that more participants are entering the workforce, meeting the financial needs of their families and the workforce needs of their communities.

However, families are still experiencing significant challenges including childcare, 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:

- Continuing to train staff and practice a participant-driven, goal-oriented approach through work with Mathematica Research Organization and Dr. LaDonna Pavetti;
- Studying the demographics of families in Reach Up to more effectively allocate resources and focus attention;

²³ 2017 Reach Up Leavers, Leslie Black-Plumeau and Robert McIntyre, October 1, 2019
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- Implementing a new program to address maternal mental health needs, the Vermont MOMS Partnership™.

Addressing the needs of families in Vermont is a critical aspect of reducing intergenerational poverty and increasing the opportunities for children to be successful and healthy in the future.