

PATH

Department of Prevention, Assistance, Transition, and Health Access

BULLETIN NO. 01-17F

FROM Eileen I. Elliott, Commissioner
for the Secretary

DATE September 12, 2001

SUBJECTS Reach Up Standards and Reduced Payment Computation Changes

CHANGES ADOPTED EFFECTIVE 10/1/01

INSTRUCTIONS

Maintain Manual - See instructions below.

Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin:

Information or Instructions - Retain until _____

MANUAL REFERENCE(S)

2245.2 2245.3
2245.2 P.4 2246

Revision to Reach Up Standards Updates

This rule makes an annual cost-of-living adjustment to the needs standards and housing allowance maximums used in determining financial assistance benefits for families participating in the Reach Up Program (formerly Aid to Needy Families with Children). Under this rule, the percentage of total needs actually paid to the family decreases from 52.0 percent to 51.0 percent.

The changes in the rule are based on changes in the Consumer Price Index to Reach Up basic needs standards, the amounts used to calculate benefits for families not living in room-and-board situations, and to the room-and-board standards. The rule also adds condo and association fees to the definition of housing expense to make the definition consistent with food stamp policy. In addition, under this rule, the housing allowance maximum for families living outside Chittenden County increases from \$388 per month to \$400 per month. The maximum for families living in Chittenden County remains the same at \$450 per month. These housing allowance maximums equal the median monthly housing costs actually experienced by Reach Up families not living in subsidized housing, as reported by those families for the purposes of determining their benefit levels.

To ensure that expenditures remain within the limits of appropriated funds, the rule decreases the percentage of total needs, based on the updated standards and maximums, actually paid to families from 52.0 percent to 51.0 percent. To ensure that no family's benefit is decreased solely because of this annual standards update, the department made two additional adjustments in the standards for families with fewer than three members. The benefit paid to a typical family of three living outside Chittenden County with no other income increases \$9 per month, from \$629 to \$638.

Specific Changes to Policy Pages

The substantive content of this rule has not changed since the filing of the proposed rule on June 15, 2001. After filing the proposed rule the department made several format revisions to the rule. These changes are indicated below as occurring “[s]ince the filing of the proposed rule.”

2245.2 Updates the Reach Up basic needs standards.

Eliminates unnecessary Itemized Need Standard Table because PATH no longer reduces the need standard for items provided in full to the family.

Since the filing of the proposed rule, the department has modified the chart’s format for clarity and consistency of style.

2245.2 P.4 Reduces the Reach Up ratable reduction percentage from 52.0 percent to 51.0 percent.

2245.3 Adds condo and association fees to definition of housing expense.

Increases the Reach Up housing allowance maximum from \$388 to \$400 for families outside Chittenden County.

Since the filing of the proposed rule, the department has modified the chart’s format for clarity and consistency of style.

2246 Updates Reach Up standards for families in room-and-board situations to reflect the changes in the Reach Up basic need standards.

Since the filing of the proposed rule, the department has modified the chart’s format for clarity and consistency of style.

Summary of Written Comments and Department’s Response

A public hearing was held on July 16, 2001, at 9:00 a.m., in the Agency of Human Services Secretary’s Conference Room, State Office Complex, Waterbury, Vermont. Two people attended to listen. No one made any comments.

One written comment was received from an advocacy group, the Vermont Low Income Advocacy Council (VLIAC). The submitted comment and the department’s response are summarized below.

Comment: The commenter suggests that the department exclude families with no housing costs from the data set used to calculate Reach Up housing allowance maximums. He suggests that their inclusion in the calculation inflates the ratable reduction percentage and presents an unrealistic picture of families’ housing costs. Recognizing that this change would increase the Reach Up housing allowance for families with costs above the current housing maximum and acknowledging that the legislature did not appropriate additional funds for this increase, the commenter recommends that the whole Reach Up need standard system be revamped.

The commenter rejects any alternative that would decrease benefits for families with housing costs below the current housing maximum and suggests revising the Reach Up need standard system by varying the ratable reduction percentage as it is applied to different families.

Response: The purpose of the Reach Up housing allowance maximums is to set a ceiling on the amount of housing costs the department includes in the calculation of a family's needs. In 1999, the General Assembly enacted and funded a special needs allowance for excess housing costs and set a ceiling of \$90 per month on the amount of a family's housing costs in excess of the maximum the department includes in the calculation of the family's needs. The practical effect of the special needs allowance is to increase the housing allowance maximums by \$90 per month for a total of \$540 in Chittenden County and \$490 outside Chittenden County.

To determine the amount of a family's financial assistance grant, the department calculates the family's needs by adding a standard amount based on family size to the family's housing costs, up to the housing allowance maximum plus \$90. The sum is then multiplied by the ratable reduction percentage, which is the percentage of needs actually funded by the legislature for payment to families. The ratable reduction percentage is the same for all families.

Each year the department uses automated data to calculate the actual median housing costs experienced by Reach Up families not living in subsidized housing. These data are the actual costs as routinely provided by Reach Up families to determine their benefits. The housing allowance maximums are based on these median costs. Before the establishment of the special needs allowance, about 50 percent of Reach Up families had their full housing costs included in the calculation of their financial assistance benefits and about 50 percent had the housing allowance maximum included in the calculation. With the addition of the special needs allowance, more families have their full housing costs included in the calculation of their financial assistance benefits, those with housing costs at or below the total of the housing maximum plus the \$90 special needs allowance.

Removal of the zero-cost families from the calculation used to determine median housing costs would have the effect the commenter desires; it would target available funds to families with high housing costs. As a practical matter, however, increasing benefits for families with higher housing costs while remaining within the Reach Up appropriation would necessitate decreasing benefits for families with housing costs below the housing maximum plus \$90.

This year, the legislature funded the Reach Up financial assistance benefits appropriation at the same per-family level as the previous year. The department is required by statute to keep expenditures within this appropriation. 33 V.S.A. §1103. The department believes that the legislature, by level-funding Reach Up benefits, intended that the department maintain, as closely as possible, families' financial benefit amounts at the levels of the previous year. There is no indication that the legislature intended for some families to have a decrease in benefits.

Based on current caseloads, the department would need an estimated additional annual appropriation of \$100,000 to remove families with no housing costs from the calculation of median housing costs, on which the housing maximums are based, without decreasing benefits to families with housing costs below the median plus \$90.

Making this change without an additional appropriation or a decrease in benefits would mean using a lower ratable for families with relatively high housing costs and a higher ratable for those with relatively low costs. The department believes that using a different ratable reduction percentage for different families based on their housing costs would eliminate any usefulness the percentage might have as a measure of the proportion of needs funded by the legislature. It would be neither fair nor equitable to families.

In addition, the department believes that the Reach Up standards should not be evaluated in isolation, without consideration of benefits from other programs, such as food stamps, fuel assistance, Lifeline, child care subsidies, and the earned income tax credit. Vermont's benefits package for families is among the most generous in the nation.

Finally, the commenter suggests that the special needs allowance is different from the housing allowance maximums in some way that targets families with high housing costs without harming families with low housing costs. The department contends that the two are no different in this respect. The special needs allowance has not been updated for inflation, however, since its implementation in 1999, as the housing allowance maximums have been. Its maximum \$90 ceiling was based on an appropriation of \$1.33 million, the amount of targeted benefits the legislature voted to fund two years ago. Without that appropriation, the implementation of the special needs allowance would have resulted in decreased benefits for families with low housing costs.

The department believes that the commenter's concerns and recommendations touch on matters of public policy and should be presented for consideration by the legislature's committees on health and welfare and appropriations.

The rule was reviewed and approved by the Legislative Committee on Administrative Rules on September 5, 2001.

Vertical lines in the left margin indicate significant changes. Dotted lines at the left indicate changes to clarify, rearrange, correct references, etc., without changing regulation content.

Manual Maintenance

<u>Remove</u>		<u>Insert</u>	
2245.2	(00-15F)	2245.2	(01-17F)
2245.2 P.5	(00-15F)	2245.2 P.4	(01-17)
2245.3	(00-15)	2245.3	(01-17F)
2246	(00-15F)	2246	(01-17F)

11/1/84
2245

Bulletin No. 84-54

2245 Need Standards - Household or Housing Unit

Total basic monthly requirement of each assistance group shall be computed using the following:

1. Combined standard table (adjusted for "furnished items", if any) for the applicable assistance program (ANFC);
2. Housing allowance provisions, including, where applicable, maintenance of housing during temporary absence;
3. Shared household computation method, where applicable.

When non-recipient members of a household fail to contribute to household expenses, their needs shall not be budgeted as a need of the recipient group(s). Department eligibility staff shall encourage and assist, if necessary, applicant(s)/recipient(s) to obtain contributions from such non-recipient household members at least equal to their share of household expense, as computed above.

10/1/01

Bulletin No. 01-17F

2245.2

2245 Need Standards - Household or Housing Unit

2245.2 Eligibility Standards – Reach Up

The following table contains the combined basic need standards used to determine eligibility for Reach Up. The combined basic standards include food, fuel, utilities, clothing, personal needs and incidentals (e.g., soap, toothpaste, cosmetics, etc.), chore (e.g., snow removal, lawn maintenance, household cleaning supplies, etc.), and special needs (e.g., telephone, life insurance premiums, water, sewer, and municipal assessment costs, fire insurance premiums, household appliances, etc.) required by assistance group members regardless of the total number of individuals residing in the household.

Number in Assistance Group	1	2	3	4	5	6	7	8	9 or more
Basic Needs	\$447	\$646	\$851	\$1018	\$1194	\$1313	\$1518	\$1694	Add \$162 for each additional person

7/1/94

Bulletin No. 94-12

2245.2 P.2

2245 Need Standards - Household or Housing Unit (Continued)

2245.2 Eligibility Standards - ANFC (Continued)

2245.21 Members in Long-term Care

Allowance for an eligible ANFC group member in long-term care (i.e., in a nursing home, or if under 21 or over 65 in a public institution for mental disease) shall be the Other Basic Need Standard (including clothing, personal and special needs and incidentals) allowed for an individual in WAM 2246. This amount shall be added to the Combined Basic Need Standard for Eligibility for the other members of the assistance group.

2245.22 Dependent Children in Schools and/or Institutions

Allowances for an ANFC child who is away from home to attend school shall be included in full when the parent or other caretaker is responsible for the child's expenses at the school.

When a school or institution agrees to accept a child and be responsible for the child's needs during residency at the school or institution, a decision must be made as to whether that child should continue as part of the ANFC assistance group. If responsibility for the care and control of that child remains with the parent, stepparent or caretaker and the parent/child relationship is maintained, then the child is considered to be living in the household and should be included in the ANFC assistance group.

If the parent, stepparent or caretaker is no longer responsible for the care and control of the child (e.g. child is committed to SRS) then that child does not meet the requirements for living in the household and he or she cannot be included in the ANFC assistance group.

3/1/97

Bulletin No. 97-9

2245.2 P.3

2245 Need Standards - Household or Housing Unit (Continued)

2245.2 Eligibility Standards - ANFC (Continued)

2245.23 Special Needs Allowances

1. A special needs allowance may be provided for the purchase of money management counseling for the parent or caretaker in an ANFC assistance group whose bill-paying practices (or the failure to pay bills) relative to financial obligations for basic needs indicate a need for this counseling.
2. A special needs allowance may be provided for services furnished in a residential setting to homeless ANFC families or women receiving ANFC benefits while they are pregnant.

These services may include, but are not limited to budgeting, nutrition, food preparation, child birth education, assistance in obtaining permanent housing, and counseling.

This special needs allowance may include the cost of room and/or board which is provided to the family or individual by the residential facility.

3. A special needs allowance for ANFC recipients may be provided for state regulated Protective Services and Family Support Child Care. These types of child care are used as an intervention strategy to carry out an SRS-established case plan whose goal is to improve family functioning and for families considered to be at high risk of abusing and/or neglecting their children.
4. Incentive payments are available for parents in Group 2 or Group 3 who successfully complete parenting education classes or volunteer activities related to improving parenting skills. These activities must allow a parent to achieve a goal in his or her Family Development Plan related to parenting skills development.

Incentives may range from \$20 to \$40, depending on the length of time involved and the level of difficulty the completed activity represents for the parent. The specific amount of the incentive will be at the discretion of the case manager based on the definition of the goal in the FDP.

Successful completion will be defined by the agency or organization sponsoring the activity, and approved by the case manager.

The parent may receive a maximum of three such incentive payments, in any of the allowed amounts.

10/1/01

Bulletin No. 01-17

2245.2 P.4

2245 Need Standards - Household or Housing Unit (Continued)

2245.2 Eligibility Standards – Reach Up (Continued)

2245.24 Ratable Reduction

Because funding is insufficient to meet 100 percent of the need standard, payment to an eligible Reach Up assistance group is based on a calculation that limits it to 51.0 percent of the group's needs.

The group's Reach Up grant is determined according to the following steps:

- (1) For assistance groups living in a room and board situation, add the standard for other basic needs to the room and board standard (2246). For other assistance groups, add the basic need standard (2245.2), housing allowance (2245.3), and special needs housing allowance (2245.23) together.
- (2) Multiply the result in step 1 by 51.0 percent.
- (3) Subtract income countable for Reach Up from the result in step 2.
- (4) Round the result in step 3 down to the nearest whole dollar.

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2245.3

2245 Need Standards - Household or Housing Unit (Continued)

2245.3 Housing Allowance - Eligibility Standards

Housing expense is defined as the total of all verified costs incurred for any of the following: rental (house, apartment, lot), real estate (or equivalent personal property) taxes, maintenance and repairs, mortgage payments, and condo and association fees. (To include allowances for maintenance and repairs within the housing expense the property must be owned and listed in the name of the applicant/recipient.) Housing allowances shall be budgeted "as incurred" to cover recurring shelter expenses necessary to maintain a home, not to exceed the current maximums stated below. The housing allowance portion of a Reach Up financial assistance grant is limited to expenses incurred for the current month; overdue expenses for prior months cannot be included in the grant for the current month. Expenses incurred less frequently than monthly (i.e., real estate taxes) shall be prorated into monthly amounts for the period covered. (See also 2245.2, #3, for policy on the special needs housing allowance.)

Maximum Monthly Housing Allowance

Outside Chittenden County	Chittenden County
\$400	\$450

The expense for shelter when shared may be included based upon the client's cost not to exceed the maximums.

When housing is provided in full (i.e., at no cost) and is considered unearned income-in-kind, no housing allowance and no unearned income are budgeted. When housing is provided in part (i.e., at reduced cost) and is considered unearned income-in-kind, only the assistance group's incurred cash obligation for housing is budgeted as the housing allowance (not to exceed the applicable housing maximum) and no unearned income is budgeted.

In the case of housing received as in-kind earned income, the housing allowance budgeted should be the maximum monthly housing allowance for which the assistance group is eligible or the sum of the assistance group's incurred monthly cash obligation, if any, for allowable housing costs and the amount of in-kind earned income received in the form of housing, whichever is less. The monetary value to be budgeted as in-kind earned income shall be that portion of the housing allowance attributable to earned income-in-kind, ratably reduced (i.e., the housing allowance amount is not ratably reduced; the earned income-in-kind is ratably reduced). This ensures that earnings received in the form of housing do not reduce the amount of assistance provided to meet the assistance group's other basic needs.

7/1/95
2245.3 P.2

Bulletin No. 95-24

2245 Need Standards - Household or Housing Unit (Continued)

2245.3 Housing Allowance - Eligibility Standards (Continued)

A standard amount which, in most cases, represents a portion of the fuel and/or utility subsidy used by Housing and Urban Development (HUD) in the calculation of rent for ANFC families in subsidized housing will be considered unearned income for ANFC purposes, according to WAM 2252. The standard amount for those families who must pay for fuel or fuel and utilities is \$70. The standard amount for those families who must pay for utilities only is \$30. An applicant or recipient who documents an actual subsidy amount less than the standard may have the actual amount counted as unearned income in benefit and eligibility calculations.

In no case shall the provision of fuel and/or utilities as part of an assistance group's housing be considered either unearned or earned income-in-kind. Nor in these instances shall these items be shown in the budget as furnished. This policy applies irrespective of whether or not the assistance group incurs a cost for housing.

Nonpayment of all or a portion of shelter expense will be evaluated against the criteria for need of protective payments and subject to the limitations outlined in WAM 2235.

7/1/88

Bulletin No. 88-15

2245.31

2245 Need Standards - Household or Housing Unit (Continued)

2245.3 Housing Allowance - Eligibility Standards (Continued)

2245.31 Subsidized Housing

Recipients who live in or are moving into subsidized housing shall have their shelter expenses budgeted in the ANFC grant as stipulated below.

The most common types of subsidized housing are:

- Section 8
- Section 23
- F.H.A (Farmer's Home Administration) rental assistance units.
- Section 236
- Housing owned and operated by the local public housing authority.

2245.33 Budgeting For Subsidized Housing

The ANFC budget is computed as one would normally for an ANFC family, except that the amount used for shelter will always be the maximum housing allowance permitted for a rental located in the county in which the family resides.

- a) If housing construction is financed under F.H.A. but the recipient is not in a Rental Assistance unit, budget according to normal ANFC procedures. Only 515 Rental Assistance units are budgeted as subsidized housing.
- b) Section 236 housing should be budgeted according to normal ANFC procedures unless a client lives in a Section 8 unit. Then budget as subsidized housing.
- c) It is possible for a recipient to be in unsubsidized or private housing and have a Section 8 certificate, in which case budget as in subsidized housing.

For examples see Procedures P-2210 E.

7/1/94
2245.4

Bulletin No. 94-12

2245.4 Temporary Absence - Illness

When a caretaker has been or will be absent from the home for 30 days or more, due to illness requiring hospitalization or care outside the home, but remains able to provide continuing supervision of the child(ren), needs shall be budgeted as follows:

1. Allowances, according to applicable standards, for continuing needs of eligible child(ren) cared for in their own home or in a temporary placement by a responsible person under the caretaker's direction.
2. Allowances, according to applicable standards, for continuing needs of the caretaker.
3. Allowances, according to applicable standards, for maintenance of the family residence (e.g., housing, fuel, utilities, etc.) for a period not to exceed six months for the expected return of the caretaker and child(ren).

2245.41 Temporary Absence - Other Than Illness

When the home owned by an applicant or recipient is temporarily not habitable, the shelter expenses for the home may continue to be budgeted for up to six months. A home may be temporarily not habitable because of a fire, the heating system is inoperable, the water pipes are frozen, it is in a remote area where roads are not routinely snow plowed, etc.

The shelter expenses of the temporary living arrangement may also be budgeted, however, the total of the home expenses and the temporary shelter expenses may not exceed the shelter maximum.

7/1/89
P.1

Bulletin No. 89-24F

2245.5

2245 Need Standards - Household or Housing Unit (Continued)

2245.5 Shared Households

Total monthly requirements of each assistance group which shares a household or housing unit with one or more separate assistance groups and/or non-recipient members shall be computed in accordance with the following rules.

Please note that the limits described below do not apply to assistance groups eligible for the room and board standard because the housing cost portion (i.e. room rent) of this standard cannot be identified separately.

1. When the household is composed of two or more assistance groups, with no non-recipient members:

- a. Budget each group for full basic considering eligible members of the assistance group;
- b. Include housing cost as incurred by each recipient group, each group's share not to exceed the housing allowance maximum and the sum of the shares not to exceed the total cost of housing (example: two assistance groups share a rental with total rent paid to the landlord of \$250.00. Each recipient group may share in this cost, but no share may exceed housing allowance maximum and the sum of the two shares may not exceed \$250.00).

Exception: If an assistance group member(s) is the only person(s) on the lease or mortgage, but a different ANFC group living in the household regularly pays a share of the rent or mortgage payment, the housing allowance for each assistance group shall not exceed the amount for which it is in practice responsible.

- c. Any monetary contribution from another assistance group in the household to the assistance group responsible for the household expenses shall be treated as:

1. Earned income: payment(s) for a service

received, i.e., room and board (see 2246);

2. Unearned income: general contributions unrelated to payment for shared expenses. (For occasional gifts and irregular contributions see 2252.3.);
3. Excluded income: (a) a payment(s) to the ANFC group responsible for household expenses by another assistance group member(s) for his or her share of common household expenses;

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2245.5 P.2

2245 Need Standards - Household or Housing Unit (Continued)

2245.5 Shared Households (Continued)

(b) a payment made directly to a non-resident landlord or mortgage holder (and not to any assistance group in the household).

NOTE: If one ANFC group is renting part of their housing unit

to another ANFC group and the first group is paying rent to a landlord for the entire unit, or is paying a mortgage as the home owner, the total shelter allowed for both budgets cannot exceed the total shelter paid for the housing unit, or the actual home owner costs (i.e., mortgage and taxes), regardless of the fact that the second ANFC group considers the first ANFC group as their landlord. Also, as in the above situations, each group's shelter cannot exceed the maximum allowed.

2. When an assistance group member is the head of a household including one or more non-recipient members:
 - a. Budget assistance group(s) for full basic considering eligible members of the assistance group;
 - b. Include housing cost as incurred by each recipient group, each group's share not to exceed the housing allowance maximum and the sum of all shares, including any non-recipient's share, not to exceed the total cost of housing;

Exception: If an assistance group member(s) is the only person(s) on the lease or mortgage, but a different ANFC group living in the household regularly pays a share of the rent or mortgage payment, the housing allowance for each assistance group shall not exceed the amount for which it is in practice responsible.

- c. Any monetary contribution from a non-recipient household member(s) or from another assistance group

in the household to the assistance group responsible for the household expenses shall be treated as:

1. Earned income: payment(s) for a service received, i.e., room and board (see 2246);
2. Unearned income: general contributions unrelated to payment for shared expenses. (For occasional gifts and irregular contributions see 2252.3.);

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2245.5 P.3

2245 Need Standards - Household or Housing Unit (Continued)

2245.5 Shared Households (Continued)

3. Excluded income: (a) a payment(s) to the ANFC group responsible for household expenses by a non-group member(s) for his or her share of common household expenses;

(b) a payment made directly to a non-resident landlord or mortgage holder (and not to any assistance group in the household).

3. When one or more assistance groups share a household headed by a non-recipient:

a. Budget assistance group(s) for full basic considering eligible members of the assistance group;

b. Include housing cost as incurred by each recipient group, each group's share not to exceed the housing allowance maximum, and the sum of all shares, including any non-recipient's share, not to exceed the total cost of housing.

Exception: If an assistance group member(s) is the only person(s) on the lease or mortgage, but a different ANFC group living in the household regularly pays a share of the rent or mortgage payment, the housing allowance for each assistance group shall not exceed the amount for which it is in practice responsible.

c. Any monetary contribution from one or more assistance groups or non-recipient household member(s) to another assistance group in the household, treat as:

1. Earned income: payment(s) for a service received, i.e., room and board (see 2246);

2. Unearned income: general contributions unrelated to payment for shared expenses. (For

occasional gifts and irregular contributions
see 2252.3.);

3. Excluded income: (a) a payment(s) to the ANFC group responsible for household expenses by a non-group member(s) for his or her share of common household expenses;
- (b) a payment made directly to a non-resident landlord or mortgage holder (and not to any assistance group in the household).

10/1/01

Bulletin No. 01-17F

2246

2246 Room and Board

Room and board as a living arrangement for Reach Up participants shall be budgeted in the amounts established by the table below. Additional amounts are allowed for other basic needs, which include clothing, personal needs and incidentals, chore, and special needs.

Number in Assistance Group	1	2	3	4	5	6	7	8	9 or more
Room and Board	\$357	\$519	\$691	\$817	\$965	\$1,050	\$1,209	\$1,343	Add \$132 for each additional person
Other Basic Needs	\$90	\$127	\$160	\$201	\$229	\$263	\$309	\$351	Add \$30 for each additional person

The total budgeted requirement (room and board standard plus other basic needs standard) is subject to the ratable reduction.

Payments for Reach Up children who qualify for Reach Up foster care shall be provided by the Department of Social and Rehabilitation Services through Title IV-E of the Social Security Act, as amended.