

P A T H

Department of Prevention, Assistance, Transition, and Health Access

FROM Eileen I. Elliott, Commissioner
for the Secretary

BULLETIN NO. 02-07

DATE 3/22/02

SUBJECTS Segregated and Separate State Funds Components of the Reach Up Program

CHANGES ADOPTED EFFECTIVE 7/1/2002

INSTRUCTIONS:

 Maintain Manual - See instructions below.
 X Proposed Regulation - Retain bulletin
and attachments until you receive
Manual Maintenance Bulletin: 02-07F
 Information or Instructions - Retain
until _____

MANUAL REFERENCE(S)

TOC (2100)	2183
2181	2180
2182	

(Click on a [Blue Link](#) to go directly to that section)
([Section 2180](#))

Reach Up is the name of Vermont's Temporary Assistance for Needy Families (TANF) program, funded with federal TANF block grant funds and state TANF maintenance-of-effort (TANF-MOE) funds. States receiving TANF block grants must demonstrate to federal program administrators that a specified percentage of their TANF program's caseload is engaged in work activities (participation rate). Families whose Reach Up financial assistance is paid, in part or in full, with federal TANF funds are included in the calculation of Vermont's TANF participation rate. Assistance paid, in part or in full, with federal TANF funds counts toward the 60-month limit on federal TANF assistance. Under federal rules, states may assign some families to separate state programs and some to segregated funds components of their TANF programs. Separate state programs and segregated funds components are funded with state TANF-MOE.

Under Act 147 (2000), the Vermont legislature has directed the commissioner to create certain separate state programs and a segregated funds component for Reach Up. Families receiving assistance from a separate state program are not included in the calculation of Vermont's TANF participation rate, while those in the segregated funds component of Reach Up are included.

The separate state programs authorized in Act 147 are:

- the Postsecondary Education Program (PSE);
- the Parental Nurturing Component of the Reach Up Program;
- the Minor Parent Safety Net Component of the Reach Up Program;
- the Legal Aliens Component of the Reach Up Program; and
- the Special Needs Component of the Reach Up Program.

The department determines eligibility and benefits levels according to the rules in 2400-2418 for families applying and accepted for participation in PSE. For families in the remaining separate state programs, called separate state components in these rules, the department determines eligibility and benefit levels according to the Reach Up rules in 2200-2380.

[Section 2181](#) describes the separate state and segregated funds components of Reach Up, the families that qualify for them, and limitations on assignment to them.

[Section 2182](#) sets forth the rules for determining which families qualify for the hardship exemption from the 60-month limit on federal TANF assistance. If the number of qualifying families exceeds the maximum for whom federal TANF funding is allowed, some will be assigned to a component funded with TANF-MOE.

[Section 2183](#) specifies the rules for assigning families to separate state and segregated funds components of Reach Up.

Comment Period

A public hearing is scheduled on April 22, 2002, at 1:00 p.m. in the Secretary's Conference Room, Agency of Human Services, State Office Complex, Waterbury, Vermont.

Written comments may be submitted no later than 4:30 p.m., on April 29, 2002, to Paula Gottwik, Esq., Senior Welfare Regulatory and Policy Analyst; Policy, Planning and Evaluation Division; Department of Prevention, Assistance, Transition, and Health Access; 103 South Main Street, Waterbury, VT 05671-1201.

Because this is a new rule, vertical lines in the left margin indicate new content.

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2180 Separate State Programs and the Segregated Funds Component of Reach Up

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Section 2181 describes the separate state and segregated funds components of Reach Up, the families that qualify for them, and limitations on assignment to them.

Section 2182 sets forth the rules for determining which families qualify for the hardship exemption from the 60-month limit on federal TANF assistance. If the number of qualifying families exceeds the maximum for whom federal TANF funding is allowed, some will be assigned to a component funded with TANF-MOE.

Section 2183 specifies the rules for assigning families to separate state and segregated funds components of Reach Up.

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2181

2181 Component Descriptions

The department shall establish the separate state and segregated funds components of Reach Up described in 2181.1-2181.5 and assign families to them, as specified in 2182-2183.

The department shall not assign the following families to separate state or segregated funds components unless they include an adult who has received 60 or more months of TANF-funded assistance:

- families with no eligible adults;
- families in which at least one adult is sanctioned for noncompliance with Reach Up requirements and has been sanctioned fewer than four of the past twelve months; and
- families not included in the calculation of the federal TANF participation rate because a parent is caring for a child younger than 12 months.

2181.1 Reach Up Parental Nurturing Component

In establishing the parental nurturing component, the department seeks to foster parental nurturing of infants and young children in their own homes while preserving their families' eligibility for federal TANF assistance. Parents in families assigned to this component continue to move toward self-sufficiency through participation in Reach Up.

Families assigned to this component must include a parent ineligible for a federal exemption from the TANF participation rate calculation who chooses deferment from the Reach Up work requirement to care for a child younger than two (2365).

Assignment to this component is mandatory for qualifying families.

2181.2 Reach Up Minor Parents' Safety Net Component

In establishing the minor parents' safety net component, the department seeks to provide a safety net for minor parents ineligible for federal TANF assistance due to noncompliance with the supervised living requirement (2362.2). Minor parents in families assigned to this component continue to move toward self-sufficiency through participation in Reach Up.

Families assigned to this component must include a minor parent sanctioned for noncompliance with the supervised living requirement.

Assignment to this component is mandatory for qualifying families.

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2181.3 Reach Up Legal Aliens Component

In establishing the legal aliens component, the department seeks to preserve eligibility for legal aliens eligible for Reach Up financial assistance but ineligible for federal TANF assistance. Parents in families assigned to this component continue to move toward self-sufficiency through participation in Reach Up.

Families assigned to this component must include at least one member eligible for Reach Up financial assistance but ineligible for federal TANF assistance due to restrictions on the eligibility of legal aliens.

Assignment to this component is mandatory for qualifying families.

2181.4 Reach Up Special Needs Component

In establishing the special needs component, the department seeks to provide additional months of financial assistance funded by TANF-MOE for families complying with Reach Up requirements but progressing toward self-sufficiency at a slower pace due to their special needs. Parents in families assigned to this component continue to move toward self-sufficiency through participation in Reach Up.

Families assigned to this component:

- include at least one member who is ineligible for federal TANF assistance due to receipt of 60 or more months of such assistance as an adult and have not been selected for a hardship exemption (2182) from the limit on receipt of federal TANF assistance; or
- are not meeting their federal TANF work requirement.

Assignment to this component is mandatory for families qualifying because they have not been selected for a hardship exemption. Assignment of families to this component because they are not meeting their federal TANF work requirement is limited by the number of families whose assignment is required to meet federal TANF participation rate targets plus 1 percent (2183.1).

2181.5 Reach Up Segregated Funds Component

In establishing the segregated funds component of Reach Up, the department seeks to provide work supports and financial assistance funded by TANF-MOE for working families while preserving their eligibility for federal TANF assistance.

Parents in families assigned to this component must be meeting their federal TANF work requirement solely through hours of unsubsidized employment.

Assignment of families to this component is limited by availability of TANF-MOE funds.

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2182 Hardship Exemption from 60-Month Limit on Federal TANF Assistance

Under federal law, families in which at least one member has received 60 or more months of federal TANF assistance as an adult are ineligible for such assistance. Federal law also allows states to exempt up to 20 percent of their TANF caseloads from this limit due to hardship.

The maximum number of families the department may exempt from the 60-month limit due to hardship, called the hardship exemption maximum, is 20 percent of the average monthly number of families receiving Reach Up financial assistance during the previous federal fiscal year.

Reach Up families may qualify for a hardship exemption if they meet these criteria:

- at least one member has received 60 or more months of federal TANF assistance as an adult; and
- the family is fully complying with Reach Up requirements, whether or not those requirements are deferred.

If the number of families meeting the hardship exemption criteria does not exceed the hardship exemption maximum, all families meeting the criteria qualify for a hardship exemption.

If the number of families meeting the hardship exemption criteria exceeds the hardship exemption maximum, the department selects families qualifying for the exemption according to the rules in 2183.1.

2183 Assignment to Separate State and Segregated Funds Components

The department shall assign families to separate state and segregated funds components of Reach Up in a fair and equitable manner that fulfills the intent and purpose of the law authorizing the establishment of these components. Section 2183.1 sets forth the rules for such assignment, which the department shall perform around the 15th of each month.

For the purposes of this section, the term grant means the total monthly financial assistance benefits issued to or on behalf of the family during the month for which the assignment is made, not including child support paid directly to the family or recoupment amounts.

When, because of limitations specified in the assignment rules, the department is able to assign some but not all families at a given grant or hours level, the department shall select the required number of families for assignment randomly.

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2183.1 Rules Governing Assignment and the Order of Assignment

Within the limitations specified in 2181-2182, the department shall assign families according to the following rules and in the following order:

- (1) The department shall assign families meeting assignment criteria for the parental nurturing component (2181.1), the minor parents' safety net component (2181.2), and the legal aliens component (2181.3) to those components.
- (2) If they do not qualify for the hardship exemption, the department shall assign families with an adult who has received 60 or more months of TANF assistance to the special needs component (2181.4).
- (3) If the number of families meeting the hardship exemption criteria exceeds the hardship exemption maximum (2182), the department shall assign families qualifying for the special needs component or the segregated funds component to that component one-by-one until the number of remaining families meeting the hardship exemption criteria is equal to or less than the hardship exemption maximum, assigning families with the smallest grants first. Families qualifying for both components shall be assigned to the segregated funds component.
- (4) If Vermont's average two-parent family participation rate for the current federal fiscal year to-date, including the month for which assignments are being made, is less than the federal target rate plus 1 percent, the department shall assign families with two able-to-work parents who are not meeting their federal TANF work requirements to the special needs component one-by-one until the target rate plus 1 percent is met, assigning families with the most countable hours of participation first.
- (5) If Vermont's average all-families participation rate for the current federal fiscal year to-date, including the month for which assignments are being made, is less than the federal target rate plus 1 percent, the department shall assign families not meeting their federal TANF work requirements to the special needs component one-by-one until the target rate plus 1 percent is met, assigning families with the most countable hours of participation first.
- (6) If, after steps (1)-(4), TANF-MOE funds remain available for the segregated funds component of Reach Up, the department shall assign qualifying families to that component one-by-one until TANF-MOE funds are exhausted or there are no more qualifying families, assigning families with the smallest grants first.