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**Report to  
The Vermont Legislature**

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**Evaluation of Reach Up**

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

**Submitted to:** Governor  
General Assembly

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

**Prepared by:** Erin Oalican  
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**Report Date:** January 31, 2019



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**AGENCY OF HUMAN SERVICES  
Department for Children and Families**

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## Executive Summary

Reach Up is Vermont's Temporary Assistance to Needy Families (TANF) program which provides cash assistance, case management, and support services to Vermont families whose income is generally below 50% of the Federal Poverty Level. Reach Ahead provides transitional assistance to participants who are leaving the Reach Up program and are working. The Post-Secondary Education program (PSE) supports families with financial assistance and case management as parents pursue a two or four-year college degree. These critical programs guide approximately 2,600 Vermont parents and caretakers<sup>1</sup> on their journey to enter or re-join the workforce. These programs provide nearly 7,000 Vermont children with household income to help provide basic needs. This report addresses highlights, trends, and outcomes for the Reach Up, Reach Ahead, and Post-Secondary Education (PSE) Programs.

Most data for this report are extracted from the state's Access system. In some cases, data are collected manually, through surveys, spreadsheet tracking, or case reviews.

Caseload increases between state fiscal years 2007 and 2013 reflect the national economic recession at that time. Since 2013, caseloads have steadily declined each year. This is likely due to improved economic conditions and the work of our case managers to support parents with their Family Development Plan. A 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 then start to increase again in the next few years.

### Data highlights on Reach Up Participation

- An average of 2,409 families left Reach Up each quarter in the last federal fiscal year;
- An average of 2,034 or 84% of these families were still off Reach Up four months later;
- On average, 19 families were forced to leave Reach Up due to time limits each month during FFY 2017;
- When leaving Reach Up, 89% of these families were receiving 3SquaresVT benefits; four months later, 64% still received 3SquaresVT.

Families continue to make progress towards their goals while participating in the Reach Up program, which enables them to enter the workforce or take necessary steps towards entering the workforce. The financial support, though low, provides a crucial safety net while families work towards employment. Though caseloads continue to decrease, the remaining Reach Up participants have more obstacles and challenges to overcome as they work towards sustained employment and financial stability.

The types of barriers/Obstacles that participants face have remained fairly constant over the last several years. However, of the leading obstacles, transportation and available child care, progress has been made. The transportation barrier has steadily decreased over the last 9 years from a high of 42% to the current 31%. The number of children in five-star child care facilities increased from 3% to 25% in the 12 months after starting Reach Up. Families lacking supports such as childcare and transportation

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<sup>1</sup> This number represents the approximate number of adults required to participate in work activities. An additional 1359 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.

needed Reach Up for an average of 74 months, compared to an average of 32 months for families with these supports.

Further indication that our program is making positive outcomes is the increase in PSE participation. An average of 85 students per month participated in the PSE program during the 2018 federal fiscal year. This is a 9% increase from federal fiscal year 2017, despite the trend of decreasing caseloads in the Reach Up program.

We are excited about the increase in positive outcomes being seen for Reach Up participants and are further motivated and inspired by the adaptations the program is making to ensure participant financial stability, confidence and employment.

## Introduction

Department for Children and Families (DCF) submits this report pursuant to 33 V.S.A § 1134, which requires that annually by January 31<sup>st</sup>, 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 and shall include the following:

1. Types of barriers facing Reach Up families, the number of families with each type of barrier the frequency of occurrence of each type of barrier, and how support services and incentives assist in overcoming barriers;
2. Participant results including information relating to the number of persons employed, by occupation, industry, and wage; the types of subsidized and unsubsidized jobs; any available information about results for children who have participate in the programs including objective measures of improved conditions; the number of participating families involve in training programs; and whether support services and incentives assist in keeping families employed;
3. Data about SNAP participation of households who left the programs during the last fiscal year, including the number of households, adults and children participating in SNAP three months after leaving the program, broken down by reason for termination or leaving, and the department's plan to identify and assist eligible households to apply for SNAP;
4. Data about the enrollment of individuals who have left the programs during the last fiscal year in a Health Care Assistance Program three months after leaving broken down by reason for termination or leaving and the Department's plan to identify and assist eligible households to apply for health care assistance;
5. A summary of all interim and final reports submitted by independent evaluation contractors to the Agency or Department relating to the programs;
6. A description of the work participation rates, including the method of calculating the caseload reduction credit for the most recent federal fiscal year;
7. A description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance adjusted to reflect an annual cost-of-living increase;
8. A description of the families, during the last fiscal year, that included an adult family member receiving financial assistance for 60 or more months in his or her lifetime including:
  - a. The number of families and the types of barriers facing these families; and

- b. The number of families that became ineligible for the Reach UP program, and the types of income and financial assistance received by those families that did not return to the Reach Up program within 90 days of becoming ineligible; and
9. A description of the families in the PSE program including the number of participating families and any barriers to their further participation.

The following sections in this report correspond to the numerical paragraphs under subsection 1134.

## Highlights and Changes in 2018

### **Strategic Planning with Mathematica Policy Research**

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

Over the course of 2018, Reach Up administrative staff visited each district office and invited stakeholders to participate in crafting an updated mission and vision for the Reach Up program:

*New Mission: Reach Up joins families on their journey to overcome obstacles, explore opportunities, improve their finances, and reach their goals.*

*New Vision: Families will be empowered, connected and thriving.*

The overarching goal of Reach Up is to reduce intergenerational poverty by providing holistic service to families making it less likely that today's Reach Up children will need Reach Up as adults.

In May 2018, Mathematica representatives joined national TANF expert, LaDonna Pavetti, in leading two pilot projects for the Rutland and Brattleboro districts. Rutland focused their project on revising the assessment process and replacing the Self Sufficiency Outcomes Matrix with a more goal-oriented tool called "Stepping Stones." Brattleboro piloted goal-setting tools and worksheets to help increase client engagement. Both districts found that using these new approaches helped participants feel a sense of empowerment leading to more participation, enthusiasm, and self-confidence. Participants who previously claimed to have no interest in participating in the program began setting and achieving goals for themselves. Developing these goals is key to strengthening critical core adult capabilities needed for financial stability and family well-being.<sup>2</sup>

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

Several years ago, the Reach Up program and DCF's Office of Economic Opportunity (OEO) developed the *Financial Empowerment Project* which brings intensive financial coaching to Post-Secondary Education (PSE), Reach Ahead, and Reach Up participants in four Economic Services Division (ESD)

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

districts - Barre, Burlington, Morrisville, and St. Albans. The Champlain Valley Office of Economic Opportunity (Burlington and St. Albans) and Capstone Community Action (Barre and Morrisville) provide financial coaching and facilitate participant-driven goal setting. The program incentivizes participants for setting and reaching financial goals. For example, a participant may choose a \$50 incentive to open a bank account, or a matched-savings incentive to save a certain amount of money each month. This program improves the financial capability of participants and supports them in attaining financial stability.

A 2017 statutory change increased the resource limit for Reach Up eligibility. This created a critical policy framework to promote savings.

In January 2018, we made critical changes to the program based on participant, case manager and financial coach feedback. The target group was increased in two districts to include Reach Up participants as well as the original Reach Ahead and PSE participants. Marketing posters were created, case managers were encouraged to promote the program with participants, and the initial meeting participants have with their financial coach, where their first goal is set, was incentivized. Financial incentives are funding through the Reach Up Support Services budget.

The following outcomes resulted after the above-mentioned changes were implemented:

- Increased from 51 participants in 2017, to over 320 in 2018
- Increased number of goals met from 100 in 2017, to 400 in 2018
- Increased amount of incentives paid from \$5,000 in 2017, to almost \$20,000 in 2018 (incentives paid for financial goals accomplished)

The Consumer Financial Protection Bureau has reported that “access to financial coaching resulted in measurable gains in three areas: money management; objective financial health metrics like savings, debt levels, and credit score; and subjective feelings of financial confidence and financial well-being,” as found by an Urban Institute study.<sup>3</sup>

Participants in the program shared this enthusiasm:

“I was able to learn and save money for my family. I would recommend this to anyone that would love to learn about saving and gaining – what a great experience.”

“With \$500 in the bank, I don’t wake up panicking about money. I don’t want to use it, I just want to know it’s there.”

### **Addressing Transportation Obstacles**

Owning a car is one of the most important factors for economic mobility.<sup>4</sup> Every year the Reach Up program purchases approximately 60 cars through Good News Garage for families across the state to help families obtain or maintain employment. In 2018, Reach Up purchased six additional cars for families. 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

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<sup>3</sup> Skricki, I, *Financial Coaching Can Benefit Consumers*, <https://www.consumerfinance.gov/about-us/blog/financial-coaching-can-benefit-consumers/>

<sup>4</sup> 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>

more likely to get a job than those who did not receive a car. The impacts of car ownership are further reaching than employment. It affects the entire family by 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.

### **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 due to employment.

#### 2018 PSE highlights:

- The Reach Up team worked to strengthen connections between Reach Up staff and Community College of Vermont (CCV) staff. All 12 ESD districts held local meetings with their CCV advisors.
- Reach Up and CCV collaborated on two pilot projects in Newport and St. Johnsbury to introduce college level courses in a supportive environment to a cohort of Reach Up participants. Several participants moved from this program into the PSE program after gaining confidence and experience with college coursework.
- Despite decreasing Reach Up caseloads, PSE participation increased by 9% between 2017 and 2018.

### **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 MOMS, an evidence-based program developed by Yale University to address the mental health needs of mothers. Core elements of the program include a proprietary curriculum using Cognitive Behavioral Therapy in a group setting, a peer “mental health ambassador” embedded in the group, and radical participant engagement in the front-end design. 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 the late spring of 2019 in Burlington.

*For more information on the impact of this program:*

<https://medicine.yale.edu/psychiatry/moms/impact/>

## **Section 1: Participant Barriers**

Participant barriers, or obstacles, may delay or prevent 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 understand the most common issues families face while participating in the program. Reach Up case managers help families set goals to overcome these obstacles and access opportunities that will help them become financially stable.

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

- **Availability of affordable childcare** – Reach Up provides a full child care subsidy for participating families and offers a deferment for parents to delay their work requirement in order to care for their children. However, the availability of childcare (especially for children under age two) and the required childcare copayment (commonly \$25-\$50 per child, per week) continue to present challenges for parents trying to enter the workforce.

- **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. Reach Ups case management support helps 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.<sup>5</sup>
- **Work skills and experience** – Most Reach Up participants still move into low-wage work, however, these wages are gradually increasing. Reach Up contracts with Vermont Adult Learning, VABIR, and Parent Child Centers to provide job coaches and employment specialists.
- **Transportation** – This barrier has gradually decreased over the last several years. 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.
- **Mental Health, physical health and substance use disorder** – Each district office has direct access to a clinician and/or clinical case manager specifically for Reach Up participants.
- **Finances** – Though the cost of living steadily increases, and housing costs have skyrocketed, the Reach Up grant has remained stagnant for the last 14 years. Pilots such as the *Financial Empowerment Program* enable families to build assets and learn about their finances while providing a crucial income boost to very low-income families. However, 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.<sup>6</sup> The toxic stress associated with poverty, especially long term, affects the ability of adults and children to plan for the future.

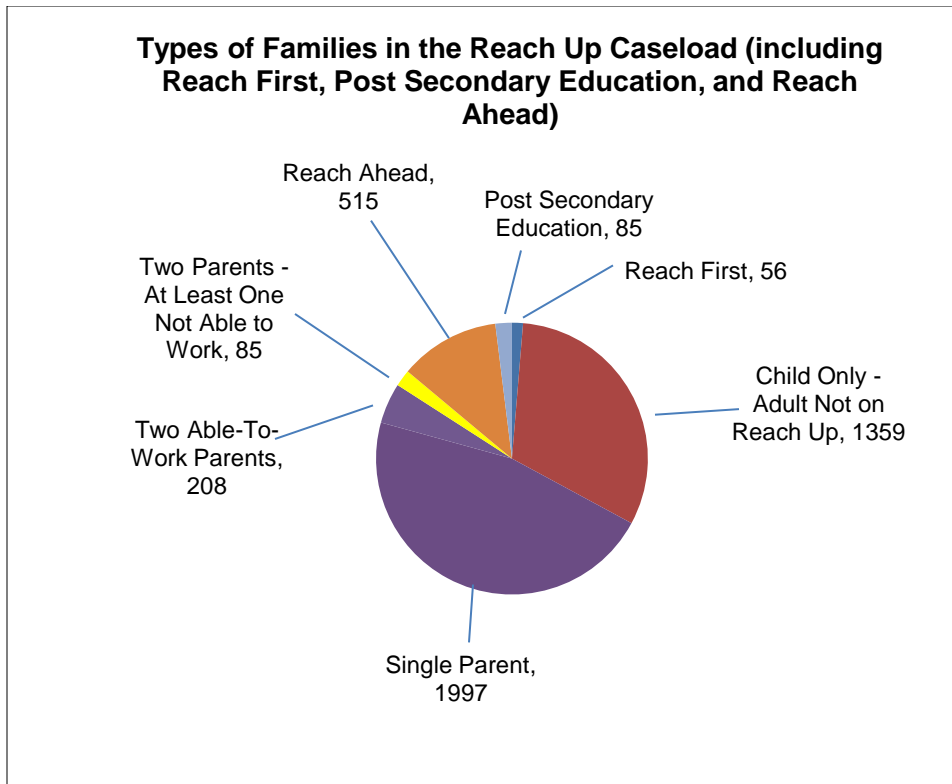
Charts in this section illustrate the types of families and number of adults participating in the Reach Up program; the number of participants with barriers; the number of participants with deferred work requirements; and the ages of children in Reach Up families. The figures below are the average monthly numbers for the period: October 2017 through September 2018.

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<sup>5</sup> Black-Plumeau, L and McIntyre, R, *Emergency Housing Program by families receiving Reach Up*

<sup>6</sup> Mullainathan, S and Shafir, E, *Scarcity: Why Having Too Little Means So Much*



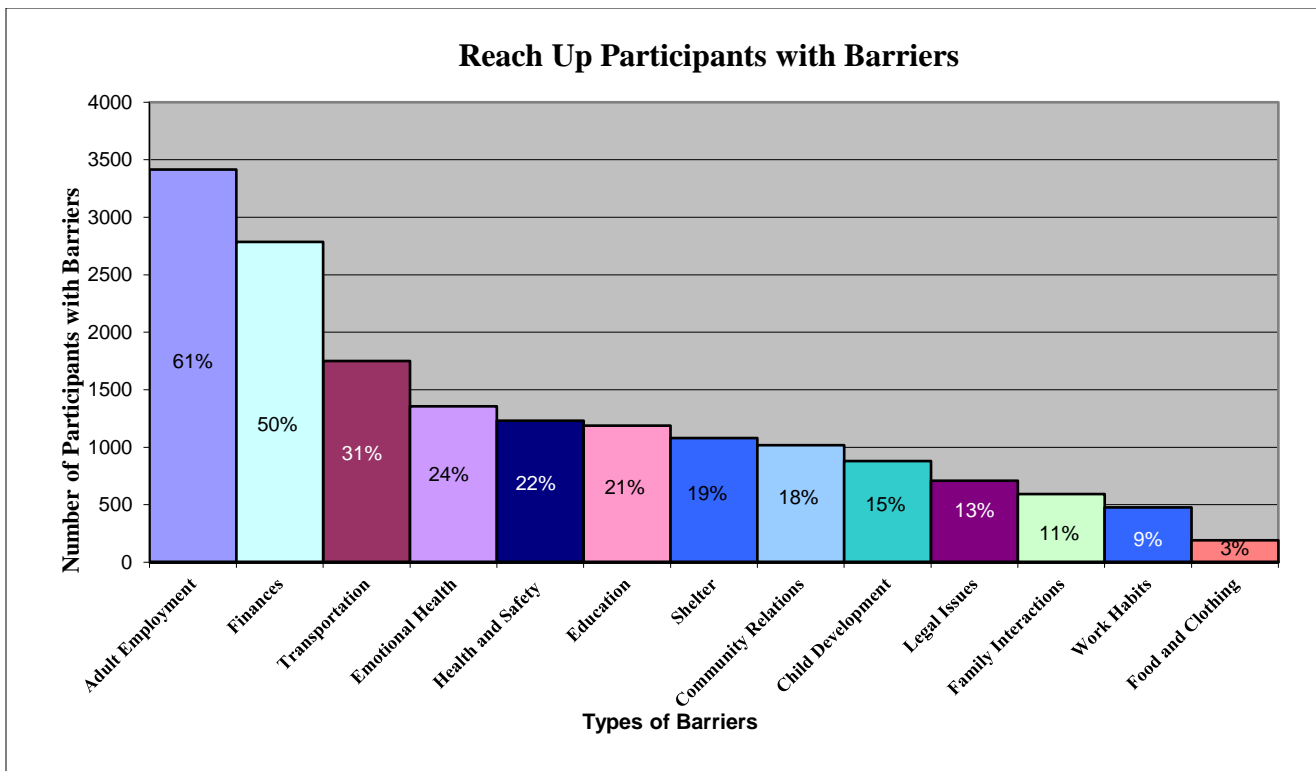


Family Type	Average Number of Adults Participating in Reach Up Each Month (does not include Postsecondary Education Program, Reach First and Reach Ahead participants)
Child Only (child's parent or caretaker is not on Reach Up)	0
Single Adult	1,997
Two Able-To-Work Adults	415
Two Adults, At Least One Not Able to Work	171
<b>Total Adults</b>	<b>2,583</b>

**Reach Up Participants with Barriers**

Reach Up Case Managers assess participants’ strengths and barriers to employment at least every six months. The case manager enters the results into Access, from which the following data is extracted.

The chart below illustrates the percentage of Reach Up participants assessed as having the specified barriers. During the period of October 2017 through September 2018, case managers assessed 5,580 participants and found 16,673 barriers; an average of 3 barriers per participant. The average number of barriers per participant has been slowly increasing since 2012, when the average number per participant was 2.2. Though caseloads continue to decrease, the remaining Reach Up participants have more obstacles and challenges to overcome as they work towards sustained employment and financial stability.



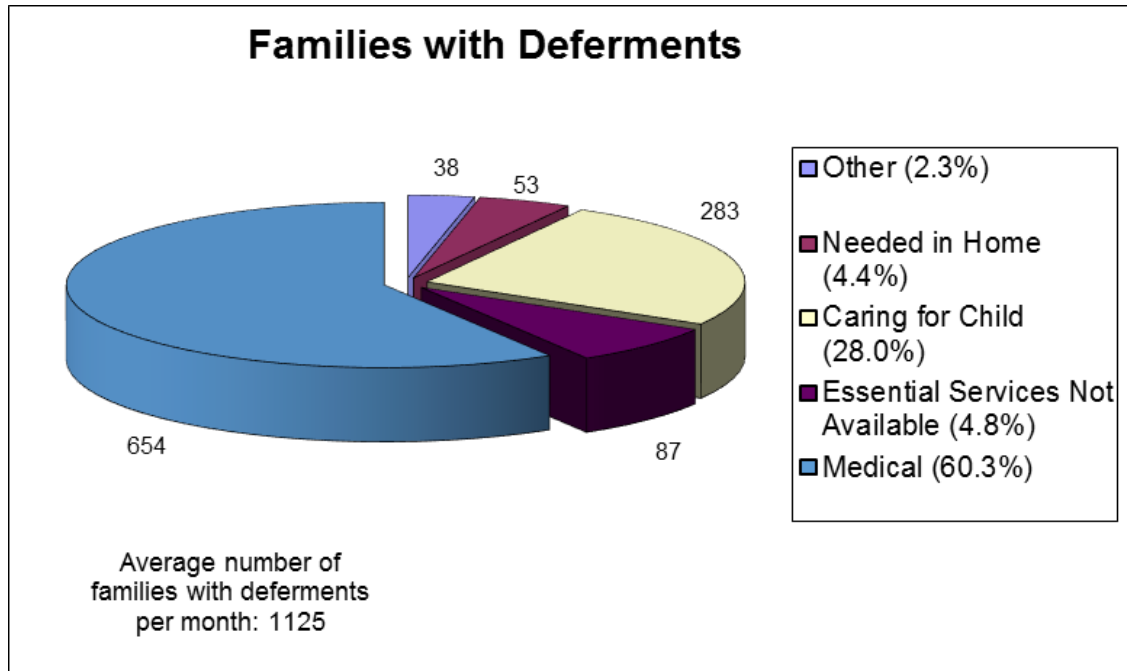
#### Key to Domains:

- **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, needs dental work, other
- **Education** – No diploma or GED, doesn’t speak English, difficulty learning, lacks essential skills, learning disability, other
- **Shelter** – Homeless/living in shelter, dangerous/inadequate housing, lack of affordable housing, owes back rent, other
- **Community Relations** – Poor relationships with neighbors, isolated from community/services, other
- **Child Development** – Children who have serious developmental delays, serious behavioral problems, no available child care, 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

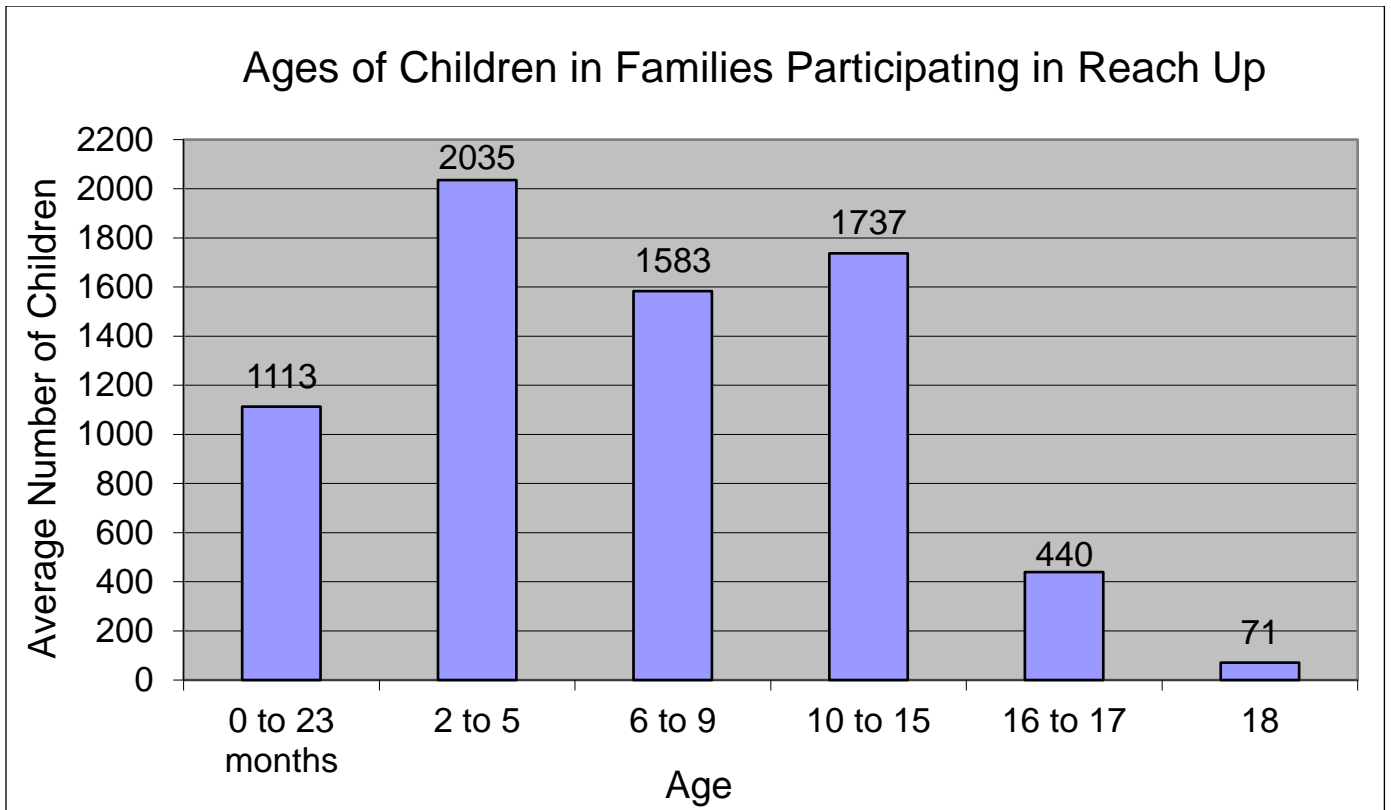
To help mitigate these obstacles, Reach Up provides incentives and support services designed to help families reach their employment goals. Support services improve the participant’s prospects for employment and job retention. The need for support services is determined during assessment, reassessment, and during the creation and modification of the Family Development Plan. Reach Up provides a wide range of support services including payment for child care and transportation. Case managers also use the “*Your Money, Your Goals*” toolkit to integrate financial capability into the program and address financial barriers. While transportation remains a significant barrier to employment for Vermont Reach Up participants, the transportation barrier has steadily decreased over the last 9 years from a high of 42% to the current 31%.

## 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 employment. Consistent with the Department’s strength-based approach to case management, staff modify rather than defer the number of work requirement hours for participants who can work at least ten hours per week. Figures in the chart below represent the deferment status of adults with a work requirement.



The deferment chart above illustrates that on average, 28% (315) of participants per month received a deferment from their work requirement to care for a child under the age of two.



The above chart illustrates the ages for a monthly average of 6,978 children who received Reach Up assistance from October 2017 through September 2018. Approximately 45% of these children are under age six, a critical time in child development; 55% are age six or over.

#### **Independent Medical Review Team**

The Department contracts with three physicians to review medical deferment requests to determine whether to uphold the original treatment provider’s recommendation, modify it, or to deny the request.<sup>7</sup> The physicians’ expertise includes psychiatry, pediatrics, and general practice. In FY18, 760 medical deferment requests were reviewed, and most of those decisions resulted in a modified work requirement; 299 of these were duplicative reviews<sup>8</sup>. The following chart illustrates a breakdown of cases reviewed during the last fiscal year:

<sup>7</sup> The medical review process was implemented pursuant to 33 V.S.A. 1114(b)(5) and (d).

<sup>8</sup> Duplicative reviews are cases where the timeframe for the deferment has ended, and they are being reviewed again for possible continued deferment or modification.

Deferment Determination Breakdowns					
	Denial	Modification	Deferment followed by Modification	Full Deferment	Total
Needed-In-Home <sup>9</sup>	3	23	26	33	85
Medical	36	377	202	60	675
<b>Total</b>	<b>39</b>	<b>400</b>	<b>228</b>	<b>93</b>	<b>760</b>

## 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 2017 through September 2018. This data does not include Postsecondary Education program participants. The last chart illustrates the number of families who have moved off assistance.

Information supporting good outcomes for children is represented in Section 1 by the low number of barriers related to child well-being, and the high number of parents requesting deferments to take care of children. Additionally, the Reach Up child well-being study demonstrated promising results for families participating in Reach Up.<sup>10</sup>

- 73% of families improved in at least one of the five self-sufficiency ratings under child well-being:
  - 51% showed improvement in housing – stability of housing that is affordable, adequate and safe
  - 45% showed improvement in health – availability of affordable medical care and improvements in the effects of disabilities
  - 37% showed improvement in child well-being – improvements in the availability of child care, school enrollment, and school attendance
  - 33% showed improvement in social well-being and connections – substance abuse and mental health of parents
  - 33% showed improvement in family interactions and well-being – parenting, support from and safety among family and friends
- The number of children in subsidized childcare increased for every STARS (Vermont's child care quality recognition program) rating category. Most notably, the number of children in five-star facilities increased from 3% to 25% in the 12 months after starting Reach Up.
  - 62% of children were in a 2 star or above childcare setting 12 months after starting Reach Up, compared to only 13% of the same cohort 6 months prior to starting Reach Up.

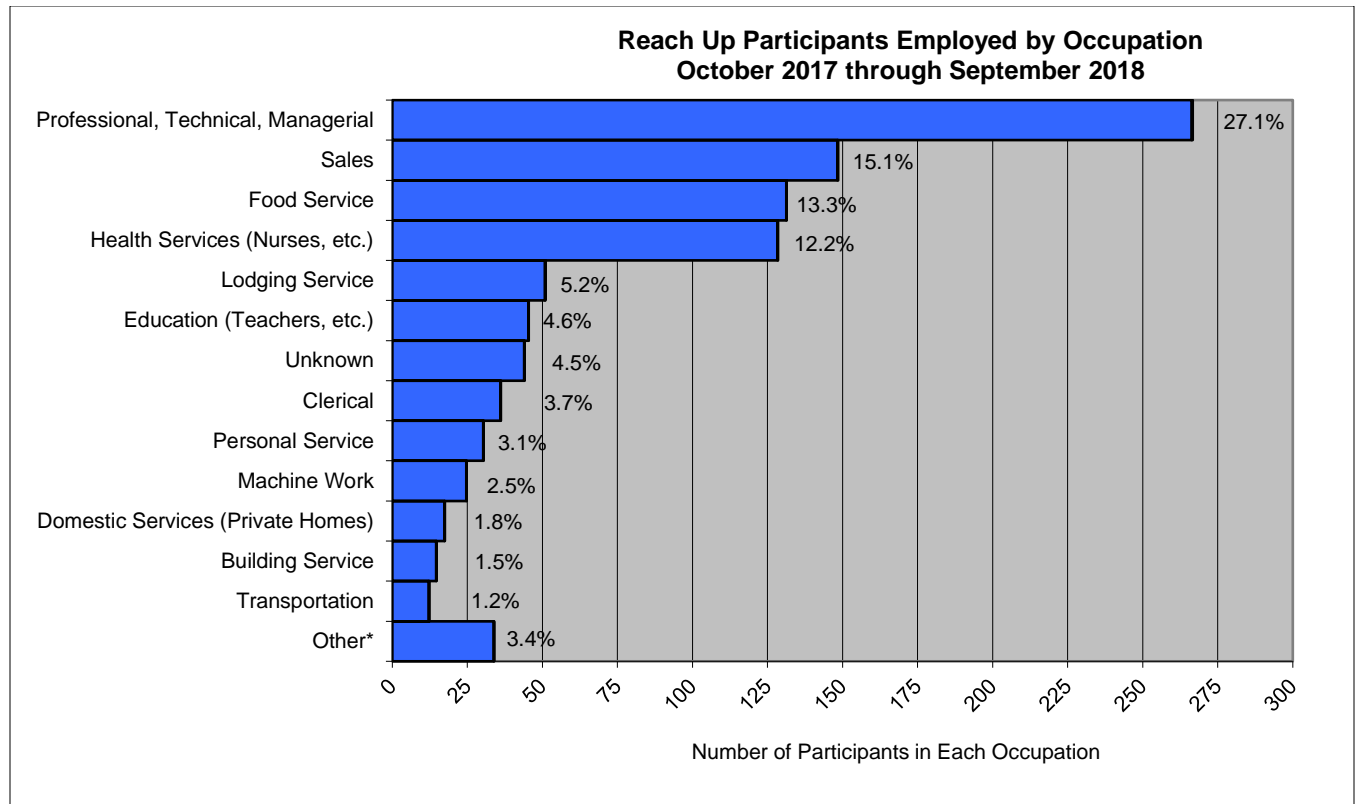
<sup>9</sup> Needed in the Home to care for a seriously ill or disabled family member, usually a child

<sup>10</sup> Black-Plumeau, L and McIntyre, R, *Reach Up Child Well Being Indicator Report, October 2017*

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

**Families Combine Reach Up with Work**

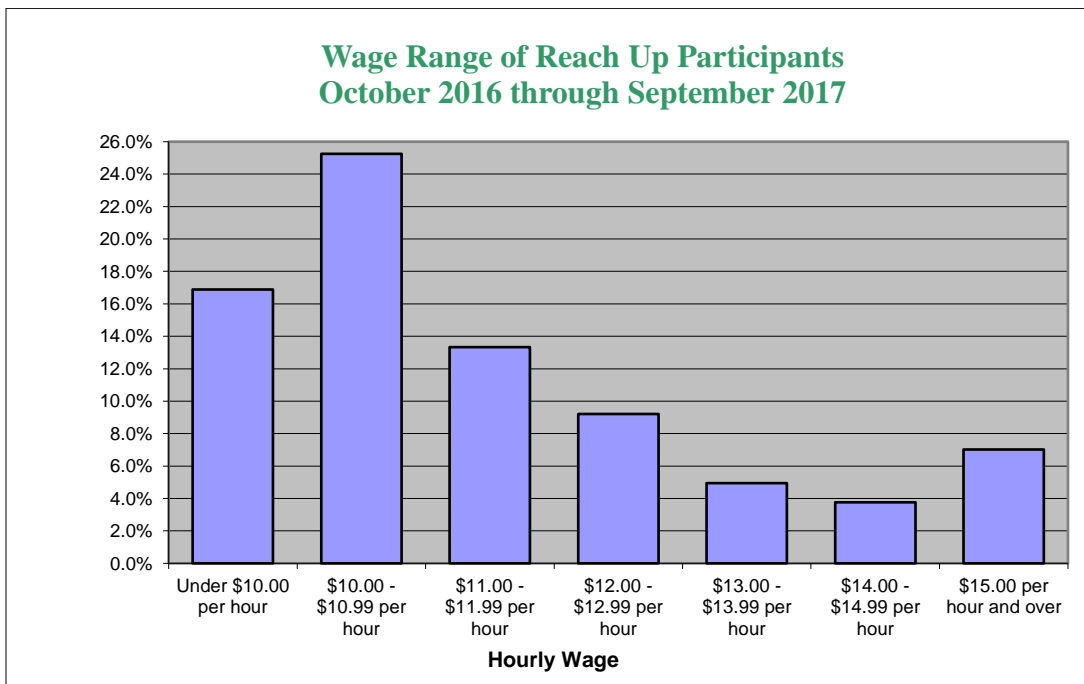
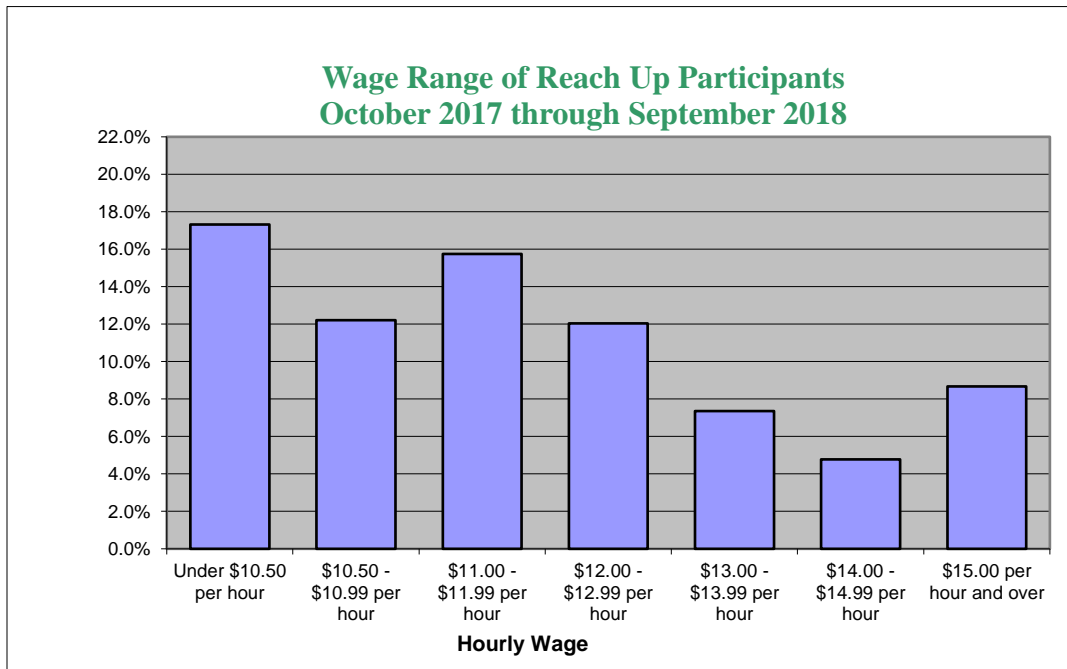
The charts below illustrate occupations of 984 Reach Up and Reach Ahead participants per month who are working. Of the 984 participating families, 515 are in the Reach Ahead program, and 496 are working Reach Up participants. This figure demonstrates that 18% of adults in Reach Up work while remaining eligible for the program.



<b>Reach Up Participants Employed, by Occupation October 2017 through September 2018</b>		
<b>Occupation</b>	<b>Average Number of Participants</b>	<b>Percentage in Each Occupation</b>
Professional, Technical, Managerial	266	27.10%
Sales	148	15.10%
Food Service	131	13.30%
Health Services (Nurses, etc.)	128	13.00%
Lodging Service	51	5.20%
Education (Teachers, etc.)	45	4.60%
Unknown	44	4.50%
Clerical	36	3.70%
Other*	34	3.40%
Personal Service	30	3.10%
Machine Work	25	2.50%
Domestic Services (Private Homes)	17	1.80%
Building Service	15	1.50%
Transportation	12	1.20%
<b>Total Participants Employed</b>	<b>984</b>	<b>100.0%</b>
<p><i>* Each of the occupations consolidated in the "Other" category employed less than 1% of the participants.</i></p>		

<b>Reach Up Participants Employed by Industry October 2017 through September 2018</b>		
<b>Industry</b>	<b>Percentage in Each Industry</b>	<b>Average Number of Participants</b>
Services	49.50%	487
Other/Unknown	22.60%	220
Transportation & Public Utilities	11.30%	111
Retail Trade	9.40%	92
Manufacturing	4.00%	40
Government	1.00%	10
Wholesale Trade	0.90%	9
Construction	0.60%	6
Agric/Forestry/Fishing/Mining	0.60%	6
Finance/Insurance/Real Estate	0.30%	3
<b>Total Participants Employed</b>		<b>984</b>

The charts below illustrate the percentage of employed Reach Up and Reach Ahead participants in each wage range. They do not include newly employed or self-employed adults whose earnings have yet to be verified, or adults in supported work placements who are not earning wages. Participants starting self-employment may also have a net income equivalent to less than \$10.50 per hour, Vermont’s 2018 minimum wage. The percentage of participants making at least \$12 per hour increased from 25% in 2017, to 33% in 2018.





<b>Reach Up Participants by Wage Range October 2017 through September 2018</b>		
<b>Wage</b>	<b>Percentage in Wage Range</b>	<b>Average Number of Participants</b>
Under \$10.50 per hour	17.3%	170
\$10.50 - \$10.99 per hour	12.2%	120
\$11.00 - \$11.99 per hour	15.7%	155
\$12.00 - \$12.99 per hour	12.0%	118
\$13.00 - \$13.99 per hour	7.4%	72
\$14.00 - \$14.99 per hour	4.8%	47
\$15.00 per hour and over	8.7%	85
Unknown	21.8%	215
<b>Average Participants Employed Per Month</b>		<b>984</b>

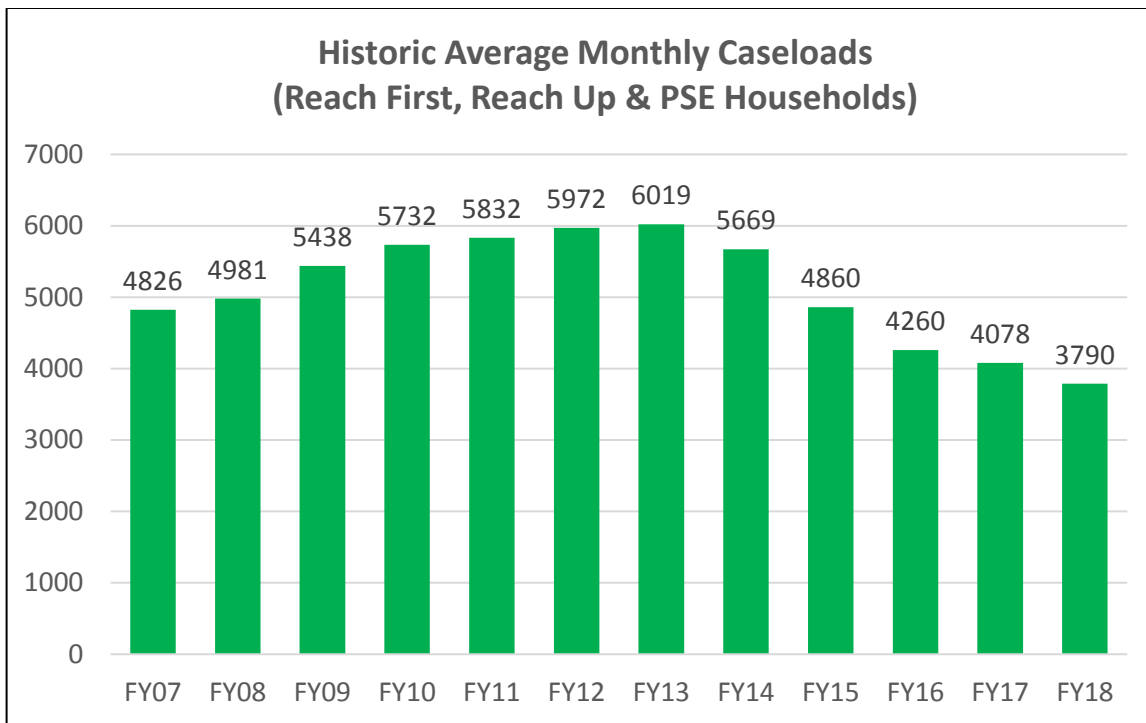
### **Adults Participating in Training and Education Programs**

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

<b>Parents Participating in Training and Education Programs October 2017 through Sept 2018</b>	
<b>Activity Type</b>	<b>Average Number of Participants</b>
Work Experience	146
Vocational Education	26
Satisfactory School Attendance	25
Education Related to Employment	10
Job Skills Training	8
.	
On-the-Job Training	0
<b>Average Participants per Month:</b>	<b>215</b>

### **Historic Caseloads**

Data in the following chart represents the average monthly number of families for each state fiscal year.



### Section 3: 3SquaresVT Participation of Reach Up Leavers

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2018. An average of 2,409 families left Reach Up each quarter; an average of 2,034 or 84% of these families were still off Reach Up four months later. When leaving Reach Up, 89% of these families were receiving 3SquaresVT benefits; four months later, 64% still received 3SquaresVT.

Reach Up Leavers' Participation in Food Stamps-- Fiscal Year 2018					
	Quarter Ending Sep '17	Quarter Ending Dec '17	Quarter Ending Mar '18	Quarter Ending Jun '18	Average
1. Total number of individuals who left Reach Up	2,540	2,343	2,417	2,334	2,409
2. Those in #1 who were not receiving Reach Up in the 4th month after leaving Reach Up	2,121 84%	1,995 85%	2,043 85%	1,977 85%	2,034 84%
3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving Reach Up	1,913 90%	1,767 89%	1,838 90%	1,718 87%	1,809 89%
4. Those in #3 who were also enrolled in 3SquaresVT in the 4th month after leaving Reach Up	1,211 63%	1,092 62%	1,248 68%	1,066 62%	1,154 64%

### Section 4: Health Care Enrollment of Reach Up Leavers

Vermont is a leader in providing health care assistance to children and families. When a family's income exceeds the Medicaid eligibility threshold due to earnings or increased child support, the family

will continue to be eligible for Medicaid through Transitional Medical Assistance (TMA) regardless of the family’s increased earnings. TMA extends a family’s Medicaid eligibility for up to 12 months.<sup>11</sup>

We do not have specific data of Reach Up leavers and their health care enrollment as DCF no longer manages health care.

## Section 5: Summary of Reports by Contractors

Leslie Black-Plumeau, an independent contractor with the DCF, submitted a *Long Term Reach Up Factors* report in September 2018. This report examines the prior experiences of families who receive longer term financial assistance through Reach Up. According to this report:

Families who have received Reach Up for more than five years were more likely to have:

- Received Reach Up as a child;
- Long term health needs for themselves and/or their children;
- Not graduated from high school;
- Become parents before turning 21.

Other notable findings:

- Families lacking supports such as childcare and transportation needed Reach Up for an average of 74 months, compared to an average of 32 months for families with these supports;
- Families whose children had significant health issues needed Reach Up for an average of 66 months, compared to 34 months for families without these issues.

A report on families who left Reach Up due to time limits is included in Section 8 of this report.

Leslie Black-Plumeau also submitted two additional reports, findings of which were highlighted in the January 2018 Reach Up report to the legislature – “*Indicators of Child Well-Being among Families Receiving Reach Up in 2013 and 2014*” and “*Use of Emergency Housing by Families Receiving Reach Up*.” Both reports studied families who entered Reach Up in 2013 or 2014 and looked at data during the two subsequent years they participated in the program. Reports are available for review upon request.

## 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.<sup>12</sup> ACF computes each state’s monthly work participation rate for two categories: all families, and families with two parents in the Reach Up assistance group. The rates are averaged over 12 months to calculate the state’s overall work

<sup>11</sup> Health Benefits Eligibility and Enrollment rule § 7.03(a)(6)(i).

<sup>12</sup> Further federal limitations on hours of participation and the age of participants in certain activities exist.

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 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, which are not yet finalized by the ACF.

<b>TANF Work Participation Rates Federal Fiscal Year 2018</b>		
	All Families	2-Parent Families
1st quarter	46.9%	57.6%
2nd quarter	47.5%	57.7%
3rd quarter	48.0%	59.6%
4th quarter	46.3%	58.7%
<b>Average<sup>13</sup></b>	<b>47.2%</b>	<b>58.4%</b>

<b>Caseload Reduction Credit (CRC)</b>		
	All Families	2-Parent Families
Rate submitted to ACF <sup>14</sup>	38.2%	53.9%
<b>Combined Participation Rate</b>	<b>85.4%</b>	<b>100%</b>

Adding the CRC to the participation rates results in an **85.4% all families’ rate** and a **100% two-parent families’ rate**. Vermont is on-track to meet the 2018 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 and complex barriers to employment, which are not recognized by the federal government in Work Participation Rates. For example, the federal requirements around activities that may be included in the Work Participation Rate do not include education in most circumstances. They also do not include addressing other major barriers to participation such as lack of childcare, transportation, or housing.

<sup>13</sup> The Work Participation Rates are submitted quarterly to ACF however the final calculations have not been finalized and released.

<sup>14</sup> The caseload reduction rates are the rates submitted to ACF in December 2018. Vermont is waiting for confirmation of the caseload reduction rates.

## Section 7: Basic Needs, Housing Allowances, and Maximum Grants

### Basic Needs and Housing Allowances

The department calculates a basic needs standard that includes certain elements considered essential to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special needs. This standard of combined basic need increases according to household size from \$475 per month for a household of one, to \$1,769 per month for a household of eight. Each year the department reports the current basic needs standard and budget 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 them 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 2004.

The charts below illustrate the current basic needs for families of one to four members; basic needs if adjusted in December 2018 for the cost-of-living increase; current housing costs; and housing costs if adjusted.

<b>Basic Needs and Housing Allowance per Month</b>			
<b>Family Size</b>	<b>Existing Basic Needs Paid (based on calculation in 3/1/04)</b>	<b>Basic needs if adjusted to annual cost-of-living increase (12/1/18)</b>	<b>Difference</b>
1	\$475	\$677	\$202
2	\$680	\$973	\$293
3	\$891	\$1,275	\$384
4	\$1,064	\$1,525	\$461
5	\$1,247	\$1,788	\$541
6	\$1,372	\$1,968	\$596
7	\$1,589	\$2,273	\$684
8	\$1,769	\$2,537	\$768
Each additional person	\$170	\$244	\$74

<b>Housing Allowances</b>	<b>Existing Housing Allowance (based on 10/1/01)</b>	<b>Housing allowance if adjusted to annual median cost (12/1/18)</b>	<b>Difference</b>
Chittenden County	\$450	\$633	\$183
Outside Chittenden County	\$400	\$587	\$187

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

**Current Maximum Grants**

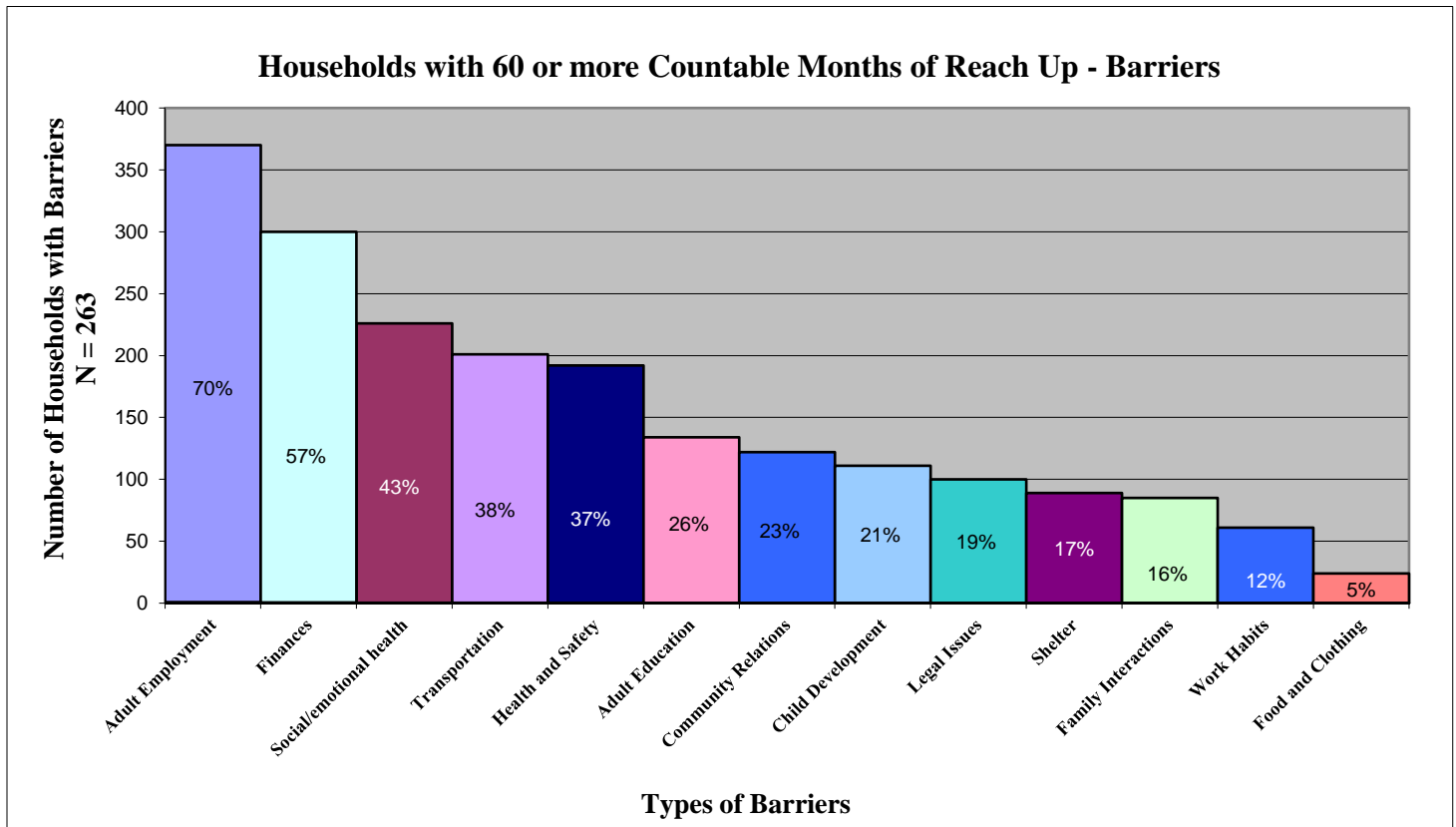
The chart below illustrates maximum grants for families of one to four members. Grants in Chittenden County are higher due to a history of higher housing costs and allowances. All families with out-of-pocket housing costs in excess of maximum allowances may receive up to \$45 more in their grant as a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

<b>Maximum Reach Up Grant Amounts</b>		
<b>Family Size</b>	<b>Outside Chittenden County</b>	<b>Chittenden County</b>
1	\$434	\$458
2	\$535	\$560
3	\$640	\$665
4	\$726	\$750

## Section 8: Profiles of Families with 60 Countable Months of Reach Up

During the last fiscal year, there were 263 average monthly cases at the 60-month limit.

The most significant barrier in this population is adult employment, with 70% of these families presenting with no or poor work history, or no employment opportunities. This is notably higher than the overall Reach Up population where 61% report employment history and opportunity as a barrier.



### An In-Depth Look at Time Limit Leavers<sup>15</sup>

Between October 2016 and September 2017 (FFY 2017), DCF identified 226 instances of families leaving Reach Up due to time limits. This period was selected so the exit dates of the families allowed us to examine their use of support programs and their rate of returning to Reach Up during the 12 months following their “forced” exit from Reach Up due to time limits.

Some families had multiple instances of being forced to leave Reach Up in FFY 2017 because they left, returned to Reach Up and then left again within this period. For this reason, the number of unique families forced to leave Reach Up during this period was 166, down from 189 a year earlier.<sup>16</sup>

For families who exited Reach Up more than once, this analysis focused on the experiences related to their earliest Reach Up exit during FFY 2017.

On average, 19 families were forced to leave Reach Up due to time limits each month during FFY 2017.

<sup>15</sup> Information in the remainder of Section 8 prepared and written by Black-Plumeau Consulting, LLC

<sup>16</sup> Although this analysis focused on leavers in the federal fiscal year (i.e. Oct-Sept), prior years’ analyses of time limit Reach Up leavers have focused on the slightly different 12-month period of Nov-Oct.

### **Most Time Limit Leavers Continued to Use 3SquaresVT**

A small percentage of the families forced to leave Reach Up (RU) because of time limits stopped using the 3Squares VT program during the first two months after leaving RU. The percentage using 3Squares dropped from 99.3% in the exit month to 94.4% two months after leaving Reach Up. However, during the entire 12-month period after exiting Reach Up, 99.3% of the time limit leavers had used 3Squares at some point—about the same as the leavers a year earlier.

<b>Use of 3SquaresVT after forced Reach Up exit</b>				
<b>Period of forced Reach Up exit</b>	<b>In exit month</b>	<b>1st month after RU exit</b>	<b>2nd month after RU exit</b>	<b>At any time during 12 months after exit</b>
Oct 2016 - Sep 2017	99.3%	96.4%	94.4%	99.3%
Nov 2015 - Oct 2016	99.5%	97.4%	93.7%	99.5%
Nov 2014 - Oct 2015	98.6%	95.4%	92.8%	98.6%

### **About 37% Used GA During the Year After Leaving Reach Up**

About 37% of the families used the General Assistance (GA) program during the 12 months after their forced Reach Up exit. This is up from the 25 percent of GA use among the time limit leavers a year earlier.

<b>Use of GA after forced Reach Up exit</b>				
<b>Period of forced Reach Up exit</b>	<b>In exit month</b>	<b>1st month after RU exit</b>	<b>2nd month after RU exit</b>	<b>At any time during 12 months after exit</b>
Oct 2016 - Sep 2017	6.5%	7.7%	7.4%	36.7%
Nov 2015 - Oct 2016	5.3%	6.3%	4.2%	25.4%
Nov 2014 - Oct 2015	6.9%	5.2%	4.0%	25.4%

Getting help with housing continued to be the most common type of GA need among the Reach Up time limit leavers. More than half (51%) of the families who used GA during the 12 months after leaving Reach Up used it for housing (homeownership, rental, room and temporary housing). This is up from 48% percent among the time limit leavers during the prior year.

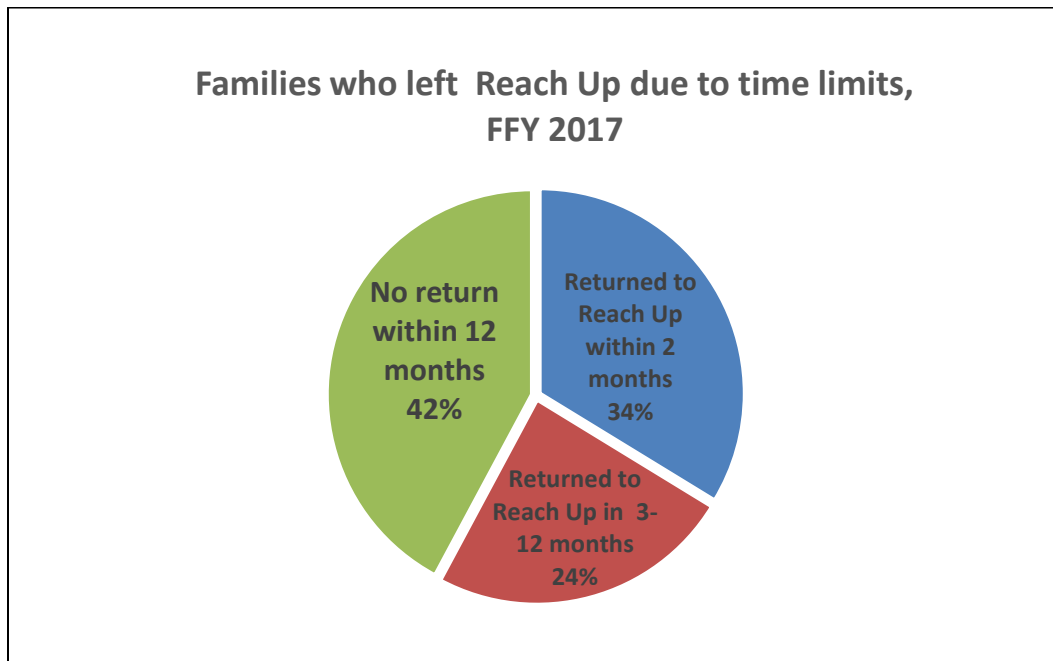


### Types of GA Used During the Year After Forced Reach Up Exit

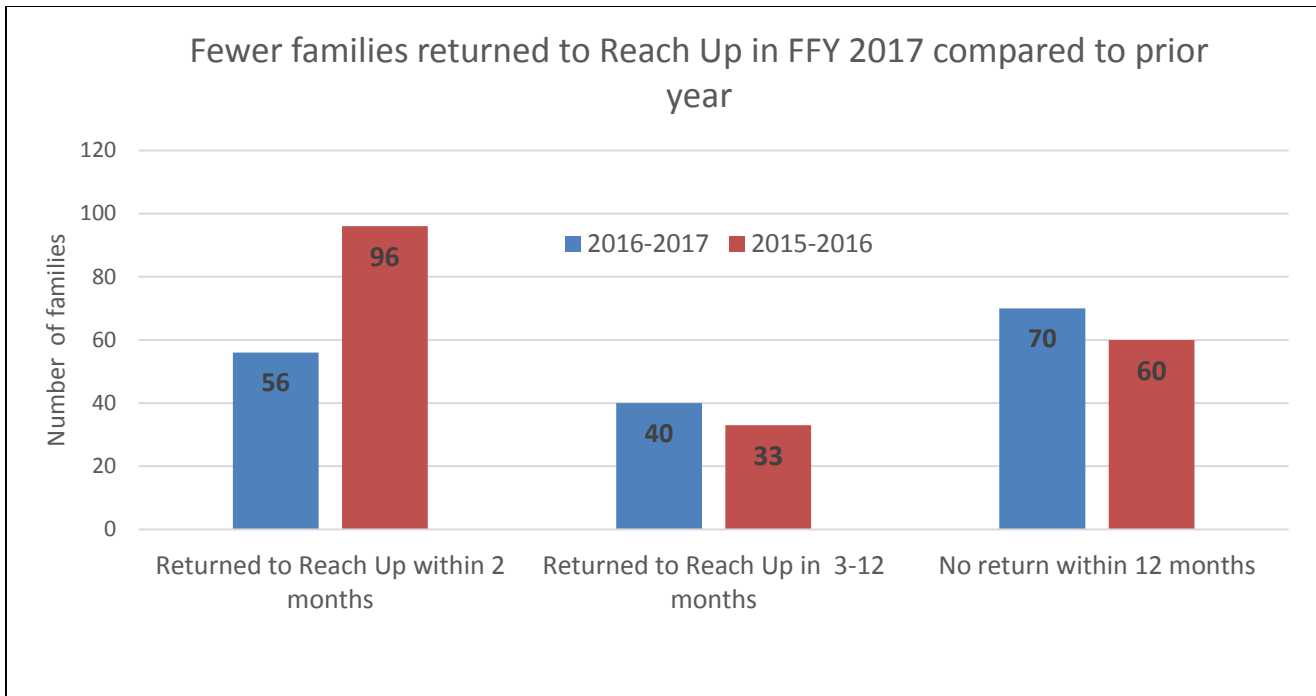
Types of GA used	Oct 2016 - Sep 2017 leavers	Nov 2015 - Oct 2016 leavers	Nov 2014 - Oct 2015 leavers
Groceries and PNI	32%	35%	13%
Home Ownership/Rental	12%	9%	3%
Room	9%	5%	5%
Perm Housing > \$ Max	0%	0%	2%
Temp Housing/Catastrophic (1-28 days)	19%	20%	34%
Temp housing/catastrophic (29-84 days)	6%	8%	14%
DOC release/\$1 FS	0%	0%	1%
Dental	7%	8%	6%
Vermont rental subsidy	5%	6%	13%
Over limit exception	3%	2%	9%
Utilities / Fuel	6%	5%	NA
Burial	2%	2%	NA
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

Of all the families who left Reach Up due to time limits in FFY 2017, 96 families (58%) returned to the program within 12 months after their exit - down from 68% the prior year.



While half of the families who left during the prior year had returned within the first 2 months of their forced exit, only 34% (56 families) of the FFY 2017 leavers returned this quickly.



**Section 9: Families Participating in the Post-Secondary Education (PSE) Program**

An average of 85 students per month participated in the PSE program during the 2018 federal fiscal year. This is a 9% increase from federal fiscal year 2017, despite the trend of decreasing caseloads in the Reach Up program.

Families participating in the PSE program must meet the same Reach Up program financial eligibility criteria; the financial grant is the same. PSE students work in conjunction with their student advisor and case manager as they pursue their goal of an associate’s or bachelor’s degree.

The Economic Services Division does not collect barrier information for PSE students, however discussions with parents and case managers tell us that PSE students struggle with many of the same obstacles as Reach Up participants. The most commonly mentioned obstacles are finding child care, accessing transportation, affordable housing, and dealing with mental health challenges. In addition to individual obstacles, 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 PSE program. This unnecessarily limits the educational attainment of the family. We know that a PSE graduate earns double the income of a Reach Up leaver. If two parents pursued a degree at the same time, this could potentially result in a household income *four times higher* than a single parent Reach Up leaver.

**Conclusion**

Families participating in Reach Up continue to make progress towards entering the workforce and attaining financial stability. In helping families achieve their goals, staff embody the mission: *Reach Up joins families on their journey to overcome obstacles, explore opportunities, improve their finances, and reach their goals.* As a result, we have seen a decrease in incidence of transportation barriers; an

increase in number of families participating in the PSE program; a large number of participants voluntarily connecting with financial coaching resources and toolkits; the state meeting the federal Work Participation Rate; and, increased wages for employed participants.

Current participants are still experiencing significant challenges including financial, transportation, and health issues. Continual improvements to the program aim to use nationally recognized best-practices to serve low-income families with a high degree of compassion, knowledge, and accountability. Some of these enhancements include:

- Using research to promote a participant-driven, goal-oriented approach;
- Integrating financial capability into the program, including savings incentives and credit building;
- Working with Mathematica Research Organization to develop a Strategic Plan, Mission and Vision for Reach Up; and
- Starting a new program to address maternal mental health needs, the MOMS Partnership.

With these enhancements, participants are reaching their goals and achieving employment. Reach Up is providing needed services to help improve child well-being, and to improve prospects for children in the future. The only change we would suggest at this time is to remove the restriction that prevents two adults in a household participate in the PSE program. Data clearly shows that those who attain a college degree through the PSE program take jobs with double the income earning potential than those leaving Reach Up directly to employment as these jobs are often very low paying.

Reach Up fulfills an important role in reducing intergenerational poverty in Vermont. The program strives to work as part of a community to provide Vermont families an opportunity for a better future, and to achieve the vision that all *families will be empowered, connected and thriving*.