

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DCF

Department for Children and Families

BULLETIN NO.: 17-20P

FROM: Sean Brown, Deputy Commissioner
Economic Services Division

DATE: January 8, 2018

SUBJECT: Reach First and Reach Up Rules

CHANGES ADOPTED EFFECTIVE May 8, 2018

INSTRUCTIONS

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

RULE REFERENCE(S):

2110	2140	2238.1	2284	2335.2
2112	2141	2263	2316.3	2336
2113	2201	2270.1	2322.1	2343.1
2117	2211.2	2281	2335	2374
2118	2211.3	2283.4	2335.1	2375

This rule implements two changes to the Reach Up program required by Act 29 (2017): (1) increasing the resource limit from \$2,000 to \$9,000; and (2) excluding funds in retirement accounts and qualified child education savings accounts from consideration as resources.

Additionally, this rule modifies provisions in the Reach First and Reach Up program rules related to interviews and orientation, Department of Labor (DOL) reporting requirements, the housing allowance, lump sum payments, matched savings accounts, and time limits. The proposed changes incorporate the concepts of behavioral science to make small, incremental changes designed to increase the effectiveness of the program for participants and reduce administrative burden for staff.

Specific Changes to Rule Sections

Reach First Rules

- 2110 DOL reporting requirement was eliminated.
- 2112 Language was added requiring the interview to include information about programs, benefits, and participant responsibilities. Orientation requirement was eliminated.
- 2113 This section on "Orientation" was deleted in its entirety.
- 2117 Language regarding the DOL reporting requirement was deleted.
- 2118 Language regarding attending orientation was deleted.
- 2140 Language regarding the DOL reporting requirement was deleted.
- 2141 Language regarding the DOL reporting requirement was deleted.

Reach Up Rules

- 2201 Language regarding attending orientation was deleted.
- 2211.2 Face-to-face interview requirement was changed to allow for phone interviews, or a face-to-face interview at the applicant's request. Language was added allowing interviews to be waived, under certain circumstances, for child-only applications.
- 2211.3 "Shelter costs incurred" was deleted from the list of items requiring verification.
- 2238.1 The requirement that families who have received 60 or more countable months of assistance must be terminated from the program if the work requirement was not met regardless of good cause was changed to require termination only if there is no good cause.
- 2263 Homeowners insurance was added as an allowable housing expense.
- 2270.1 Language was added allowing the lump sum period of ineligibility to be recalculated for advance payments of eligible expenses, purchase of one or more motor vehicles, and depositing funds into an excluded savings account.
- 2281 Resource limit was increased from \$2,000 to \$9,000.
- 2283.4 Language requiring pension funds and IRAs to count as a resource was deleted.
- 2284 Matched savings accounts, retirement accounts, and qualified child education savings accounts were added to the list of excluded resources.

Reach Up Services Rules

- 2316.3 Reference to orientation was deleted.

Reach Up Services Rules continued

- 2322.1 Language regarding the DOL reporting requirement was deleted.
- 2335 Language regarding the DOL reporting requirement was deleted.
- 2335.1 This section on reporting to DOL was deleted in its entirety.
- 2335.2 Renumbered to 2335.1. Language regarding the DOL reporting requirement was deleted.
- 2336 Language regarding the DOL reporting requirement was deleted.
- 2343.1 Language regarding the DOL reporting requirement was deleted.
- 2374 Language regarding the DOL reporting requirement was deleted.
- 2375 Language regarding the DOL reporting requirement was deleted.

Rulemaking Process

A. Informal Public Input Process

1. The proposed rule is expected to be filed with the Interagency Committee on Administrative Rules (ICAR) by December 18, 2017 and presented at its meeting on January 8, 2018.
2. The proposed rule is expected to be filed with the Secretary of State's Office on January 10, 2018.
3. The Secretary of State will publish notice of rulemaking on its website on January 17, 2018.
4. The department will post the proposed rule on its website <http://dcf.vermont.gov/esd/rules> and notify advocates, subscribers, and members of the public of the proposed rule.

B. Formal Notice and Comment Period

1. A public hearing will be held on February 21, 2018 at 1:00 pm at St. Leo's Hall, 109 South Main St., Waterbury, Vermont 05671.
2. Written comments may be submitted no later than 4:30 p.m. on February 28, 2018 to Heidi Moreau, Policy Analyst, Economic Services Division, DCF; 280 State Drive, HC 1 South, H12502, Waterbury, Vermont 05671-1020, heidi.moreau@vermont.gov. Fax: (802) 241-0460.
3. The anticipated effective date of the rule is May 8, 2018. This date is subject to change.

The department will post the rule on the Agency of Human Services website at <http://humanservices.vermont.gov/on-line-rules> and notify advocates and members of the public about the rule

To get more information about the Administrative Procedures Act and the rules applicable to state rulemaking go to the website of the Office of the Vermont Secretary of State at: <http://vermont-archives.org/aparules/> or call Louise Corliss at 828-2863

For information on upcoming hearings before the Legislative Committee on Administrative Rules go to the website of the Vermont Legislature at: <http://www.leg.state.vt.us/schedule/schedule2.cfm> or call 828-5760.

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Eligibility

2110 Eligibility (05/01/2014, 13-42)

To qualify for Reach First, the applicant family must qualify for Reach Up using Reach Up financial eligibility rules. The 60-month time limit (rule 2238) does not apply to Reach First eligibility. In addition to qualifying for Reach Up financial assistance, the applicant family must meet the Reach First eligibility criteria and, if it has no members who are mandatory applicants (rule 2117), must choose to participate in Reach First.

Families who qualify for and participate in Reach First are initially certified as eligible for a four-month period (certification period) that commences with the first day of the first calendar month in which the family receives a Reach First payment or support service. The certification period may be shortened if changes in the family's circumstances make them no longer eligible.

Personal Interview

2112 Personal Interview (04/01/2008, 08-02)

A personal interview shall be conducted in accordance with Reach Up rule 2211.2. C. The interview shall include sufficient information about programs, benefits, and participant responsibilities to enable applicants to make informed decisions about program participation. At the personal interview, the department shall provide the following to all applicants(s):

- A. Information about all programs administered by the department, services and referrals available to the family, program requirements, participant responsibilities, consequences of failure to meet responsibilities, and incentives for participation and obtaining employment;
- B. Financial and self-sufficiency screening;
- C. Determination of Reach First eligibility related to past receipt of Reach First payment and to the need for ongoing assistance;
- D. Determination of appropriateness for Reach First referral; and
- E. Determination of whether the family chooses to participate in Reach First, if it is a family with no Reach First mandatory applicants.

Families with Mandatory Applicants

2117 Families with Mandatory Applicants (04/01/2008, 08-02)

Families who meet the following criteria are mandatory Reach First Applicants:

1. at least one member of the family is a work-eligible individual;
2. work-eligible individuals in the family are neither disregarded from nor meeting their Reach Up work requirement;
3. none of the work-eligible adults in the family have received a Reach First payment attributed to any month in the twelve months preceding the month of application; and
4. at least one of the work-eligible adults in the family is:
 - a. a single-parent or caretaker who has no barriers to obtaining and maintaining a job and a recent and stable work history, including receiving wages for his or her most recent job that, when annualized, equal or exceed 150 percent of the federal poverty level applicable to the family;
 - b. an able-to-work adult (in a two-parent family when the other parent is able-to-work-part-time or unable-to-work) who has no barriers to obtaining and maintaining a job and a recent and stable work history, including receiving wages for his or her most recent job that, when annualized, equal or exceed 150 percent of the federal poverty level applicable to the family;
 - c. an adult (in a two-parent family when both parents are able-to-work) who is not the primary caretaker of the children; or
 - d. an adult who has no barriers to obtaining and maintaining a job and possesses a marketable postsecondary education degree or vocational education certification.

Families with No Mandatory Applicants

2118 Families with No Mandatory Applicants (04/01/2008, 08-02)

- A. Families with no Reach First mandatory applicants who qualify for participation in Reach First may choose whether to participate in Reach First.
- B. An otherwise eligible family that does not include any mandatory Reach First applicants must meet the following criteria to be referred to and participate in Reach First:
 - 1. at least one member of the family is a work-eligible individual;
 - 2. work-eligible individuals in the family are neither disregarded from nor meeting their Reach Up work requirement;
 - 3. none of the work-eligible adults in the family have received a Reach First payment attributed to any month in the twelve months preceding the month of application; and
 - 4. after participating in the interview and initial screening, all work-eligible adults in the family choose to participate in Reach First.

Participant Responsibilities

2140 Participant Responsibilities (04/01/2008, 08-02)

- A. Each participating adult who is being assessed in Reach First or for whom a family development plan is needed shall participate in the development of his or her family development plan.
- B. Each participating adult whose case manager refers for assessment and evaluation activities shall report as directed by the department for such activities.
- C. Each participating adult shall begin to comply with his or her family development plan requirements as soon as possible, and no later than 10 days following identification of initial requirements at the initial family development plan meeting.
- D. Each participating adult shall continue to comply with such family development plan requirements until such time as the family is ineligible or transferred to Reach Up or other program.
- E. If a family is transferred to another program, the rules of that program apply.

Consequences of Noncompliance

2141 Consequences of Noncompliance (04/01/2008, 08-02)

Reach First participants who fail or refuse to comply with Reach First participants responsibilities without good cause shall not receive Reach First payments until the participant comes into compliance.

Eligibility and Payment Process

2201 Eligibility and Payment Process (05/01/2014, 13-42)

The eligibility and payment process for Reach Up financial assistance consists of steps an applicant takes to request assistance and procedures the department follows to determine eligibility and payments. Steps within the process include:

- A. Application for assistance, including a request by an adult for addition to an existing financial assistance group.
- B. Interview. The interview shall provide the family with information about all programs administered by the department, services and referrals available to the family, program requirements, participant responsibilities, consequences of failure to meet responsibilities, and incentives for participation and obtaining employment.
- C. Documentation of necessary information related to pertinent eligibility conditions including an initial family development plan (FDP) (rules 2322.1, 2330), and, for families who have received 60 or more countable, cumulative months of assistance, compliance with post-60-month FDP requirements (rule 2334) for a period of two consecutive weeks or, in the case of applicants claiming a deferment, supplying verification of and meeting the criteria for the deferment.
- D. Determination of initial or continuing eligibility and the amount of assistance.
- E. Written notice to applicants and participants of eligibility decisions.
- F. Authorization and payment of assistance for which applicants and participants are found eligible.

Methods of Investigation

2211 Methods of Investigation (02/01/2009, 08-10)

The applicant is the primary source of information about his need and eligibility for aid or benefits. Verification of information furnished on the signed application and through interviews is not required except as specified at 2211.3 Verification or elsewhere in rules.

Reliance on the applicant as the primary source of information to establish eligibility recognizes the right to privacy, but also places responsibility on the applicant to furnish necessary information completely and accurately or, when needed, to give consent to obtain such information elsewhere. The signature of an applicant or spouse, authorized representative, or legal guardian on an application must certify under penalty of perjury that information on the application pertaining to all members of the assistance group is correct and complete. Only one adult applicant signature is required (2208, Application). Department responsibility to assist an applicant to establish eligibility requires careful explanation and interpretation of program eligibility criteria and information needed to assess the applicant's circumstances against such eligibility criteria.

An applicant has a right to refuse to give information, or to submit required proof. Such refusal of information or action necessary to establish eligibility will result in denial or closure of aid or benefits. Willful misrepresentation of applicant circumstances will also result in legal action under fraud statutes. Department staff shall make every effort to assure full applicant understanding of the consequences of refusal to take necessary action to establish eligibility and/or misrepresentation of individual circumstances.

An individual may apply for aid or benefits through another person; for example: an authorized representative; a person acting responsibly for an incompetent or incapacitated individual; surviving relative or estate administrator of a deceased person. The individual acting for the applicant is, in such situations, considered the primary source of information, subject to the same rights, responsibilities and consequences for the applicant as an applicant acting directly for himself.

2211.1 Statement of Need (02/01/2009, 08-10)

The applicant's signed statement of need, contained within the application forms for the programs applied for, is the primary source document for information about the applicant's circumstances.

Application forms are designed to be as clear and simple to complete as possible, with due regard for the information necessary to establish eligibility. Appropriate descriptions of applicant rights and responsibilities, including penalties for willful misrepresentation of circumstances, are set forth immediately before the applicant's signature.

A signed Application form shall be sufficient to apply for Reach Up.

2211.2 Interviews (07/01/2011, 10-16)

An interview is required for all Reach Up applications. The department shall conduct interviews via phone. A face-to-face interview may be provided at the applicant's request.

The department may waive the interview requirement for applicants who are not mandatory members of the assistance group when they apply for financial assistance only on behalf of the children in the household (for example, caretaker guardians whose income or resources exceed the limits for inclusion in the assistance group or parents who are not included in the assistance group because they receive SSI/AABD benefits) if the following criteria are met:

Methods of Investigation

- A. All questions on the application have been answered completely;
- B. The application does not contain any questionable or inconsistent information; and
- C. The department has received all required verification.

2211.3 Verification (03/01/2017, 17-02)

Verification, defined as a written entry in the case record of third-party or documentary confirmation of facts stated by an applicant, shall be required for the items listed below when the department is processing an initial application or eligibility redetermination for Reach Up financial assistance. Verification of individual items on this list is required when the participant reports a change in circumstances relating to that item or when the department receives information from some other source that indicates the most recent information reported by the participant may not be correct.

- A. All non-excluded income (amount and source).
- B. All non-excluded resources, within \$200 of the limit.
- C. Actual dependent care costs claimed as a work expense and used as a deduction from earned income.
- D. High risk pregnancy for a woman with no dependent children.
- E. Paternity of biological father not married to child's mother.
- F. Collateral information affecting eligibility or benefits.
- G. Application for a social security number if the individual does not have one.
- H. Months of TANF assistance received in another state.

Verification may be required for the following, if questionable:

- A. Identity and residency.
- B. Age, citizenship, or alien status for any member of the assistance group.
- C. Any other information that affects eligibility or amount of benefits.

Written verification statements shall include sufficient detail to enable independent reviewer evaluation of the reasonableness of the resulting eligibility decision, including but not limited to a description of method used, dates, sources, summary of information obtained, and any computations required. If the wage earner cannot furnish complete pay stubs or similar verification, a statement of wages must be obtained from the employer.

The department shall verify, and document earnings received in the prior 30 days for applicants and participants. For continuing eligibility, earnings must be verified at least once every six months.

However, if the earnings received in this 30-day period are not representative of current or future circumstances, then a best estimate must be made based on information and documentation obtained during the eligibility determination or redetermination. In such cases this alternative figure will be used to estimate monthly earnings.

Time Limits

2238 Time Limits (03/01/2017, 17-02)

- A. A family in which a participating adult has received 60 or more countable, cumulative months of Reach Up financial assistance or cash assistance funded by a TANF block grant in another state, shall be ineligible for assistance under the Reach Up program, unless each participating adult is fully complying with Reach Up services component requirements and:
1. The participant is deferred from his or her work requirement for one of the reasons listed in rules 2363, 2363.1, or 2363.2; or
 2. The participant is engaged in any of the countable work activities listed in rules 2350.1- 2350.11, rule 2351, or any other work activity recognized in accordance with Title IV-A of the Social Security Act for the number of hours equal to the participant's work requirement.
- B. The count for the time limit on assistance begins with July 1, 2001. Each full or partial month for which a participant receives financial assistance counts toward the 60-month time limit. A month in which only support services are received by an employed participant does not count toward the 60- month time limit. In a two-parent family in which the parents have not received assistance for the same number of months, the time limit is based on the parent who has received assistance for the greater number of countable months. Assistance received under the Postsecondary Education, Reach First, and Reach Ahead programs does not count toward the 60-month limit.

A month in which financial assistance is received does not count toward the 60-month time limit if the participant is deferred from his or her work requirement for a full calendar month for one or more of the following reasons:

1. The participant is unable-to-work pursuant to rule 2363.2;
2. The participant is caring for a child during the first 12 months of a possible 24-month deferment granted pursuant to rule 2363(c) (NOTE: no more than 12 cumulative, deferred months shall be exempt from counting toward the 60-month time limit in a participant's lifetime);
3. The participant is affected by domestic violence pursuant to rule 2363.1; or
4. The participant is needed in the home on a full-time basis to care for an ill or disabled parent, spouse, or child pursuant to rule 2363(F).

Time Limits

C. The time limit shall not apply in the following cases:

1. Single or two-parent families with at least one parent under the age of 18;
2. A dependent child living with a non-parent caretaker who is not in the assistance group;
or
3. A dependent child living with a single parent who receives SSI/AABD benefits, or with two parents who both receive SSI/AABD benefits.

2238.1 Termination after 60 Months (05/01/2014, 13-42)

For families who have received 60 or more countable, cumulative months of assistance, noncompliance with Reach Up services component requirements, without good cause, or not fulfilling the work requirement, without good cause, will result in termination of the family's Reach Up grant. Good cause shall be determined according to rules 2372 and 2373.

2238.2 Reapplication after 60 Months (03/01/2017, 17-02)

- A. A family whose Reach Up grant was terminated for either noncompliance or not fulfilling the work requirement, without good cause, after having received 60 or more countable, cumulative months of assistance may be eligible for assistance at any time following a break in assistance of at least two months.
- B. A family whose Reach Up grant was terminated for a reason other than noncompliance or not fulfilling the work requirement, without good cause, after having received 60 or more countable, cumulative months of assistance may be eligible for assistance at any time following termination of the grant.
- C. A family whose Reach Up grant will be terminated for a reason other than noncompliance or not fulfilling the work requirement, without good cause, must continue to comply with all Reach Up requirements until the grant is terminated; a family who does not comply with these requirements and does not have good cause for not complying, will not be eligible to receive benefits for two months from the date the grant is terminated.
- D. Assistance shall be paid only upon complying fully with post-60-month FDP requirements (rule 2334) for a period of two consecutive weeks or, in the case of applicants claiming a deferment, upon supplying verification of and meeting the criteria for the deferment. A family whose application is denied for not completing the two-week period of compliance or supplying verification of a deferment may reapply at any time.
- E. A family who received continuing benefits (see rule 2215) during the period of time in which they would have been subject to a two-month break in benefits will not be eligible to receive benefits for two months from the date their grant is terminated pursuant to a Human Services Board order affirming the Department's decision. The Department shall not recoup such benefits except for those continuing benefits paid beyond two months.

Housing Allowance

2263 Housing Allowance (7/1/2015, 15-08)

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, homeowners insurance, 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 rule 2263, 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.

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 Reach Up families in subsidized housing will be considered unearned income for Reach Up purposes, according to rule 2271. 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 rule 2226.

Income

2270 Income (12/01/2006, 06-24)

Income is defined as any cash payment or equivalent "in kind" which is actually available to the applicant or recipient. Sources of income include, but are not limited to, earnings from employment or self-employment, and "unearned" income (pensions, benefits, interest, or return on investments, contributions, assistance from other agencies, etc.).

All income except that specifically excluded shall be evaluated to establish net income available to meet need. When spouses are maintaining a common living arrangement, their joint incomes shall be evaluated and considered for availability to meet their joint needs, even though only one applies for or receives assistance under any Department program. Verification of all income except that specifically excluded shall be required in the Reach Up Program.

Transfer of assignment of income for the purpose of qualifying for a larger amount of assistance than that of which the individual would otherwise be entitled is prohibited. Voluntary transfer of income within two years before date of application or while in receipt of Reach Up shall result in ineligibility unless the income is re-conveyed to the applicant or recipient.

Future and potential sources of income shall be identified and developed, when feasible. (See Potential Income and Resources.) State assistance in the amount needed based on currently available income shall, however, continue until such income becomes in fact available, at which time appropriate budgetary adjustment shall be completed.

2270.1 Lump Sum Income (12/01/2006, 06-24)

The applicant or recipient of Reach Up is responsible for notifying the Department promptly upon receipt of any lump sum payment of earned or unearned income.

Lump sum payments, including windfall payments, shall be counted as income unless excluded under an exception cited below. Windfall payments shall not include sums resulting from the conversion of an existing asset (i.e. acquired when the individual was not in receipt of Reach Up benefits) to a liquid asset. However, money resulting from the sale of a vehicle acquired when the individual was in receipt of Reach Up benefits shall be treated as a resource and not as a windfall payment. Lump sum payments, including windfall payments, which have been set aside in a trust fund and which are excluded in accordance with Reach Up policy relating to "Trust Funds" shall not be counted as income.

Additional exceptions to the above regulation are:

- A. An income tax refund shall be treated as a resource, except for any portion which is a federal or Vermont Earned Income Tax Credit (EITC) refund. EITC payments are disregarded both as income and as a resource (rules 2276 and 2284).
- B. Insurance payments or similar third-party payments, if received for payment of medical bills or funeral costs and used for those purposes, must be excluded. Also excluded would be a home owner's insurance payment (e.g. for a house which burned down) if it is used to rebuild or repair the house or purchase a new one.

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Lump sum payments which are not excluded should be added together with all other non-Reach Up income received by the assistance group during the month. When the total less applicable disregards exceed the standard of need for that family, the family will be ineligible for Reach Up for the number of full months derived by dividing this total income by the need standard applicable to the family. Any remaining income will be applied to the first month of eligibility after the disqualification period.

The period of ineligibility due to a lump sum benefit may be recalculated if:

- A. An event occurs which, had the family been receiving assistance, would have changed the amount paid.
- B. The income received has become unavailable to the family under the circumstances listed below. Such circumstances are limited to the following unless the Commissioner or his or her designee determines that the recipient's circumstances are substantially similar to those described below:
 1. death or incapacity of the principal wage earner.
 2. loss of shelter due to fire or flood.
 3. repairs to owner-occupied homes which are essential to the health and safety of the family.
 4. repair or replacement of essential, major household appliances.
 5. repair or purchase of one or more motor vehicles per Reach Up assistance group, essential for employment, education, training or other day-to-day living necessities. Expenses may include purchase and use tax, inspection fee, insurance, and registration fees, but not day-to-day operating expenses.
 6. payments attributable to current monthly housing expenses (rule 22643) which are in excess of the maximum monthly Reach Up housing allowance.
 7. payment of expenses which meet the following criteria:
 - a. The bills were overdue as of the date the lump sum income was received.
 - b. The bills were the legal liability of the client or other member of the assistance group.
 - c. The client provides documentation that the lump sum income was used to pay the bills.

Eligible expenses under "7" above are as follows and are restricted to those of the primary residence and would include any late charges described in payment agreements or allowed by Public Service Board rules.

- a. overdue rent (including lot rent)
- b. overdue mortgage payments (principal and interest)
- c. overdue property taxes
- d. overdue homeowner's insurance

Income

- e. overdue heating bills
 - f. overdue utility bills (e.g. electricity, gas, water, or sewage)
 - g. overdue telephone bills (basic monthly charge, applicable taxes, plus \$5 per month in toll charges)
 - h. overdue child care expenses necessary for a member of the assistance group to maintain employment, with the following limitation. If the overdue expenses were incurred when the individual was receiving Reach Up, only the unsubsidized amounts are considered eligible expenses.
 - i. overdue expenses for one or more motor vehicles per Reach Up assistance group, essential for employment, education, training or other day-to-day living necessities. Expenses may include overdue bills for repairs, purchase and use tax, loan or lease payments, inspection fee, insurance, and registration fees, but not day-to-day operating expenses.
8. advance payment (payment for expenses which will be incurred after the date the lump sum income was received), up to 12 months, of any of the expenses listed in subsections (a) through (i) above.
- C. The family incurs and pays for medical expenses which offset the lump sum income.
 - D. The family deposits the lump sum payment, or a portion thereof, into a savings account excluded under 2284(AA), (BB), or (CC).

2270.2 Income-in-Kind (07/01/1989, 89-24)

Income-in-kind is defined as any basic requirement, such as food, shelter, etc., which is furnished regularly at no cost to the applicant or recipient.

In computing the requirements, if any item is furnished in full and is considered unearned income-in-kind, it is shown in the budget as "furnished" and no unearned income-in-kind is budgeted. In computing the requirements, if any item is furnished only partially and is considered unearned income-in-kind, it is not to be shown in the budget as "furnished" and no unearned income-in-kind is to be budgeted.

In computing the requirements, if any basic need item is furnished in part or in full and considered as earned income-in-kind, the item should not be shown in the budget as "furnished," but it shall be given a monetary value by the employer, and treated as earned income in the budget computation. However, in no case shall the monetary value assigned to a need item received as in-kind earned income exceed the ratably reduced amount specified for that item in the ITEMIZED NEED STANDARD TABLE for an assistance group of equal size.

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.

Combined Resources Limitation

2281 Combined Resources Limitation (04/01/2008, 08-02)

The maximum allowable resources, including both liquid and non-liquid assets, of all members of the household shall not exceed \$9000 for the household.

The total equity value of all real and personal property, except excluded items, may not exceed the above amount.

2281.1 Transfer or Assignment Prohibited (07/01/1994, 94-12)

Any individual who, or whose spouse, has voluntarily assigned or transferred property or income for the purpose of qualifying him/her for such assistance or for a larger amount than that to which he would otherwise be entitled is disqualified. Property affected includes any or all real or personal property subject to consideration as total resources subject to limitation.

Property transfers which occurred more than two years before the date of application for assistance shall not affect eligibility; this time interval affords reasonable presumption that such transfer was not made contrary to regulation.

Property transfers which occurred less than two years before the date of application for assistance shall not disqualify the individual if:

- A. Apparent or stated reason(s) for transfer, supported by adequate facts, establishes, that the transfer was not made solely to qualify for assistance (e.g., needed income, relief from excessive property costs and/or upkeep responsibilities, foreclosure imminent, etc.).
- B. Applicant received fair market value and remaining proceeds are within resource limitations.
- C. Applicant's equity in property at the time of transfer to a legally liable relative has been exhausted on applicant's/recipient's behalf, as demonstrated by expenditures by the relative to equal such equity for any one or more of the following:
 1. Medical care (physician, hospital, nursing home, medications, health insurance, etc.).
 2. Funeral expenses of deceased spouse (including cemetery lot, perpetual care, marker and/or monument).
 3. Property taxes, mortgage payments, property insurance.
 4. Cost of maintaining applicant's home (shelter, including normal repairs but not extensive improvements, and cost of basic requirements of food, clothing, incidentals, fuel, utilities, etc., according to department standards).
 5. Cost of maintaining applicant in the relative's home (shared household expense, room and board or custodial care, according to department standard).

If the applicant cannot establish eligibility by facts supporting use of his/her equity, he/she may qualify by having the property re-conveyed to him/her for consideration as an available resource.

Combined Resources Limitation

2281.2 Property Sales (10/01/1990, 90-35)

- A. Lump sum settlement from sale of real or personal property owned by a Reach Up assistance group member during a period of receipt of Reach Up benefits generally has the effect of converting an excluded asset to a liquid asset subject to the Lump Sum Income policy. Note that per that policy, if the real or personal property was acquired when the individual was not in receipt of Reach Up benefits, it is not considered a windfall payment but instead treated as a resource (see Excess Resources). An exception is a recipient who sells real property, used and occupied as the permanent home, shall be permitted to retain the net proceeds from that sale for a period not to exceed 90 days providing that:
1. Net proceeds are held in trust; and
 2. The plan is to use these proceeds for purchase or construction of another home; and
 3. The recipient certifies that the money will be held in trust only for the purpose of obtaining another home.
 4. If at the end of the 90 day period there is no agreement to purchase another permanent home (which shall be occupied within 60 days from date of agreement) or to construct a home (which shall be completed and occupied within twelve months from date of agreement), the trust is subject to the Lump Sum Income policy.
- B. A time payment contract on any real or personal property is treated as income and the balance of equity remaining from the mortgage is not considered a resource.

NOTE: The client retains the option of selling the mortgage, or accepting a lump sum settlement (see A. above) which is subject to the Lump Sum Income policy.

2281.3 Excess Resources (07/01/2001, 01-06F)

Any resources in excess of the allowable maximum and not treated as lump sum income (rule 2270.1) shall be considered available to the assistance group for use.

An assistance group shall become ineligible until such excess is exhausted. If the excess, however, is equal to or exceeds the grant amount that the assistance group would receive, the assistance group is ineligible for a period of 30 days or until resources fall below the maximum, whichever is longer.

Personal Property

2283 Personal Property (01/01/1984, 83-61F)

Personal property includes all liquid or non-liquid assets, other than real property.

In cases where payments are being received on notes and mortgages according to a time payment contract and are being considered as income, it is not necessary for the client to agree to convert to liquid assets, although that option is available.

If payments are not being made on a time contract and steps are not being initiated to foreclose, the entire equity remaining in a mortgage shall be considered as a resource. If such resource exceeds the maximum allowable, the case will be closed.

2283.1 Liquid Assets (11/01/1984, 84-54F)

Liquid assets are defined as cash or assets which can readily be converted to cash. Examples include: bank accounts (savings or checking); postal savings; credit union or building and loan shares; contents of safe deposit boxes; savings bonds; stocks and other securities; notes or mortgages payable to the applicant/recipient; etc.

Interest on savings accounts shall be considered only at time of initial application and at each regularly scheduled review. In those cases where resources are close to the maximum allowed, up-to-date verification of accrued interest shall be required. If, at time of review, recipient has excess resources, the recipient will be determined ineligible until excess resources have been used to meet need.

Stocks, bonds (including savings bonds) and other securities shall be evaluated at the current market or redemption value.

The principal due on outstanding notes and/or mortgages payable to an applicant/recipient and/or spouse shall be considered.

Loans and grants (such as scholarships) obtained and used, regardless of source, for a specific purpose which precludes their use for current living costs shall be excluded.

2283.2 Trust funds - Trust Accounts (11/01/1984, 84-54F)

Evaluation of trust funds or trust accounts shall take into account the terms of the trust. The value of principal which can be made immediately available to the applicant/recipient and/or spouse shall be considered. The value of principal which cannot be made available shall be excluded; however, any special provisions for use of principal (such as payment of medical expenses, upkeep of property, etc.) shall be evaluated as a future or potential resource, including but not limited to recovery potential. It is also necessary to take into consideration the value and possible use of interest accruing from trust funds. Unless prohibited by terms of the trust, accrued interest shall be considered as income in the month received and a resource thereafter.

2283.3 Burial Plots - Funeral Agreements (11/01/1984, 84-54F)

One burial plot for each individual in the Reach Up unit may be excluded as a resource. One funeral agreement per member may also be excluded provided the equity value of the agreement does not exceed \$1500.

Personal Property

2283.4 Annuities (07/01/2001, 01-06F)

Annuities must be included as a family resource unless the applicant or participant can demonstrate that these funds are not and cannot be made available to the family. In counting resources of households with annuities, the total cash value must be counted minus the amount of penalty, if any, for early withdrawal.

2283.5 Vehicles (07/01/2001, 01-06F)

A vehicle is defined as a passenger car, truck or jeep, motorcycle, camper, van, snowmobile or boat that is stored on blocks or is operable (i.e., includes all major operating parts, such as engine, transmission, wheels, steering mechanism, etc.).

An inoperable vehicle minus operating parts is considered junk and thus does not come within the definition of a vehicle; however, the salvage value of a junked vehicle may represent a substantial resource requiring individual evaluation.

The equity value of one operable motor vehicle per assistance group with one adult (rule 2301) and of two operable motor vehicles per assistance group with more than one adult is excluded as a resource. In situations where the assistance group owns additional vehicles, the applicant or participant shall identify each vehicle to be excluded. The equity value of all remaining vehicles owned by members of the assistance group, unless otherwise excluded, must be counted towards the resource limitation. Equity value equals fair market value minus debt owed.

If a vehicle excluded under this provision is sold and then replaced within 30 days of the date of the sale with another vehicle, the proceeds from the sale will be disregarded as a resource during this 30-day period.

To determine the fair market value of all countable vehicles, see Procedures, P-2211.

In situations where the applicant or participant disagrees with the determined value of the vehicle being considered, a written appraisal of the value submitted by a licensed dealer will be accepted.

2283.6 Income-Producing Property (07/01/2001, 01-06F)

Personal property used as a means of livelihood (i.e., to produce income) is excluded from total value of combined resources (rule 2284).

Income-producing property may include vehicles, tools, livestock, equipment, machinery and similar goods owned, usually in quantities beyond the customary needs of normal living, and in fact, used by members of an assistance group to produce income for support of the group. This may include income-producing property owned by a participant who is currently unemployed, but can reasonably be expected to return to work. If, however, there is no expectation that the participant will return to work, at least in that particular field, then the personal property shall be considered as a resource (rules 2281.2 and 2282).

Excluded Resources

2284 Excluded Resources (07/01/2001, 01-06F)

The following items are excluded from consideration to determine total resources:

- A. Real property owned, used and occupied as a home by applicant or recipient or the spouse of an applicant or recipient.
- B. Equity value in real property owned but not occupied as a home by an applicant or recipient for a certain period of time when a good faith effort is being made to sell (rule 2282).
- C. Basic items essential to day to day living such as clothes, furniture and other similarly essential items of limited value.
- D. Personal property used to produce income (rule 2283.6).
- E. The value of the coupon allotment under the Food Stamp Act of 1964.
- F. The value of the U. S. Department of Agriculture donated foods (surplus commodities).
- G. Any resources held by a recipient of SSI/AABD.
- H. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- I. Grants or loans to any undergraduate student for educational purposes which are made or insured under any program administered by the Commissioner of Education, or any grant or loan which is made for educational purposes and the sponsor of such grant or loan precludes the use of such funds for maintenance purposes. All resources remaining from student grants, loans, or work/study if:
 - 1. Such loans or grants are made under a program administered or insured by the U. S. Commissioner of Education, or
 - 2. The sponsor of the grant or loan precludes its use for maintenance purposes, or
 - 3. The work/study program is administered by the college or university in which the undergraduate student is enrolled.

Examples of excludable resources include: Basic Educational Opportunity Grants, Vermont Student Assistance Corporation grants or loans, National Direct Student Loans, Senatorial Scholarships, Supplemental Educational Opportunity Grants, and College Work Study Program income.

- J. One burial plot for each individual on the grant and one funeral agreement per individual (rule 2283.3).
- K. Any amount of renters' or property tax rebate excluded from income under rule 2270.1 and set aside for the purpose of using it to pay rent or property taxes due within 12 months of the assistance group's receipt of such rebate.
- L. Payments to persons of Japanese or Aleut ancestry as restitution for injustices suffered during the Second World War.
- M. Vermont and Federal earned income tax credits (EITC), whether received with each pay check or as a refund following the end of the tax year, are excluded as a resource in the month in which they are received and in the following month. They continue to be excluded in subsequent months, subject to the criteria for assets accumulated from subsidized or unsubsidized earnings in (O) below.

Excluded Resources

- N. Payments made from the Agent Orange Settlement Fund or any other fund established because of the Agent Orange product liability litigation, retroactive to January 1, 1989.
- O. The value of assets accumulated from the subsidized or unsubsidized earnings of adults and children in participating families is excluded for the purposes of determining continued eligibility. Interest earned on excluded assets is also excluded. Nonliquid assets, purchased with savings from earnings or with a combination of savings from earnings and other excluded income or resources, such as SSI/AABD retroactive benefits or federal earned income tax credit lump sum income, are excluded.

Liquid assets excluded under this policy must be kept in a separate bank account from other liquid assets, unless to do so would create a hardship. A hardship exists when there is no bank within a reasonable distance from the earner's residence or place of work that allows a bank account without charging fees.

If a family reapplies for assistance after Reach Up terminates, assets accumulated during the time the family was not participating in Reach Up are excluded, provided that all other criteria specified for exclusion are met.

- P. Payments made pursuant to the Radiation Exposure Compensation Act (Public Law 101-426).
- Q. Payments made under Indian Trust Funds Acts (Public Laws 97-458 and 98-64) and initial purchases made with such funds by the original recipient of the funds.
- R. Interest held in a trust or in restricted lands pursuant to section 8 of Public Law 93-134 and up to \$2,000 annual income received from the lease or other uses of the individually-owned trust or restricted lands.
- S. Distributions made under Public Law 100-241 which amended the Alaska Native Claims Settlement Act as follows:
 - 1. cash, including cash dividends on stock received from a Native Corporation, to the extent that it does not, in the aggregate, exceed \$2000 per individual per calendar year; or
 - 2. stock, including stock issued or distributed by a Native Corporation as a dividend or distribution on stock; or
 - 3. a partnership interest; or
 - 4. land or an interest in land, including land or an interest in land received from a Native Corporation as a dividend or distribution on stock; or
 - 5. an interest in a settlement trust.
- T. Payments made pursuant to the Maine Indian Claims Settlement Act of 1980 to a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians.
- U. Payments made to a member of the Aroostook Band of Micmacs pursuant to the Aroostook Band of Micmacs Settlement Act.
- V. Student financial assistance provided under the Carl D. Perkins Vocational and Applied Technology to meet attendance costs. Attendance costs include:

Excluded Resources

1. tuition and fees normally assessed a student carrying the same academic workload as the applicant/recipient as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study as the applicant/recipient; and
 2. an allowance for books, supplies, transportation, dependent care and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.
- W. Student financial assistance provided under Title IV of the Higher Education Act or under Bureau of Indian Affairs student assistance programs.

Examples of student financial assistance authorized by Title IV of the Higher Education Act are:

- Pell Grants;
 - Supplemental Educational Opportunity Grants (SEOG);
 - State Student Incentive Grants (SSIG);
 - College Work-Study (CWSP);
 - Guaranteed Student Loans (or GSLP including PLUS loans and Supplemental Loans for Students); and
 - Perkins Loans (formerly National Direct Student Loans). These are different from loans under the Carl D. Perkins Vocational and Applied Technology Education Act, (see #22 above).
- X. Financial assistance, paid through the Disaster Relief Act of 1974 as amended by Public Law 100-707 in 1988, provided as major disaster and emergency assistance is excluded both as income and a resource in determining eligibility or benefit levels. This disaster coverage is intended to provide relief to people living or working in an area severely struck by natural or manmade disaster. The disaster must have been so severe as to cause the President to designate a Federal Disaster Zone. Additional relief provided under these circumstances by States, local governments and disaster assistance organizations is also excluded.
- Y. German reparations to concentration camp survivors, slave laborers, partisans, and other victims of the Holocaust.
- Settlement payments to victims of Nazi persecution or their legal heirs resulting from the confiscation of assets during World War II.
- Z. Loan value and cash value of whole life insurance.
- AA. Savings from earned income, matching dollar contributions, and accumulated interest deposited in Individual Development Accounts (IDAs) or a matched savings account sponsored by a community organization.
- BB. Funds in a retirement account, such as an individual retirement arrangement (IRA), a defined contribution plan qualified under 26 U.S.C. § 401(k), or any similar account as defined in 26 U.S.C. § 408.
- CC. Funds in a qualified child education savings account, such as the Vermont Higher Education Investment Plan, established in 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529.

Child Care Assistance

2316 Child Care Assistance (07/01/2001, 00-22)

Child care assistance is available through the child care subsidy program of the Child Development Division (CDD). After determining that a participant qualifies for the service, the Reach Up case manager shall refer the participant to the local child care subsidy specialist for assistance.

Participants eligible for child care services (rule 2316.1) may choose either a regulated or a legally exempt child care provider who meets the requirements of the CDD subsidy program. Participants who need assistance in identifying available child care providers or need information or counseling that will assist them in making an informed choice among available child care providers shall be referred to the local child care referral specialist.

2316.1 Basic Eligibility Criteria (07/01/2001, 00-22)

Adults who are participating in FDP activities, employed, or self-employed are eligible for child care assistance, subject to all of the following conditions.

- A. The child care is necessary to enable a participant to accept or retain employment or self-employment, or participate in an approved Reach Up activity and neither parent is available and able to provide the necessary care. Child care benefits are not allowed for child care required by unpaid volunteer work unless such volunteer work is related to the individual's employment goal and is an approved program activity included in the FDP.
- B. The hours for which child care assistance is requested are reasonably related to a participant's hours of employment or self-employment, or to an approved Reach Up activity. In two-parent families where the parents are not sharing the work requirement, the hours of child care requested by the primary caretaker parent shall be limited to no more than 12 cumulative months, unless the primary caretaker parent is participating in approved activities leading to an employment goal.
- C. The participating family makes its need for child care assistance known to ESD or CDD and provides information about its income, the child requiring care, and the provider of care.
- D. The child requiring care is a member of the Reach Up financial assistance group or a child who is not a member of the group solely because of receiving SSI/AABD or foster care benefits under Title IV-E.
- E. The child requiring care fits within one of the following groups:
 - under the age of 13;
 - at least 13 but under the age of 19, eligible for special education services in accordance with an individualized education plan (IEP) or 504 plan, and not capable of providing safe self-care as verified by the written report of a physician or licensed psychologist;
 - at least 13 but under the age of 19 with a documented physical, emotional, or behavioral condition that precludes the child from providing self-care or being left unsupervised, as verified by the written report of a physician or licensed psychologist; or

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- at least 13 but under the age of 19 and under court supervision.
- F. The provider of care is:
- licensed, registered, or certified legally exempt by CDD;
 - exempt from licensing or registration regulation under 33 VSA § 3502 (b);
 - a town or school summer youth recreation program with hours that enable the child's parent or other caretaker to engage in FDP activities;
 - awaiting legally exempt child care (LECC) certification from CDD; or
 - licensed, registered, or exempt under the law of the jurisdiction in which the child care is provided, if the provider is not located in Vermont.
- G. The child care provided takes into account the individual needs of the child and is appropriate to the age and special needs of the child, and the location of care is reasonably accessible to the child's home or school or the participants place of employment or training.

2316.2 Allowable Child Care Expenses (07/01/2001, 00-22)

Child care assistance is allowable in the following circumstances.

- A. For a participant waiting to begin employment, self-employment, or an approved Reach Up activity, child care assistance may begin up to two weeks before the employment or Reach Up activity begins. If necessary to secure a child's slot in a child care facility, child care assistance may begin up to 30 days before the employment or Reach Up activity begins.
- B. Child care assistance may continue for up to 30 days after the end of a Reach Up activity when necessary to maintain a child's slot in a child care facility and the participant is scheduled to begin another activity within that period.
- If a participant is employed and is temporarily laid off, care may continue for up to 30 days if the participant is expected to resume employment or begin participation in an approved Reach Up activity during the 30-day period.
- C. During the 12-month period immediately following a self-employed participants work-ready date, the case manager shall approve child care hours sufficient to cover the participants applicable work requirement plus the hours needed to engage in any additional required FDP activities, including the travel time to and from such activities. After that 12-month period, the availability of child care for a self-employed participant shall be determined in accordance with CDD child care regulations.

2316.3 Payment Rate (07/01/2001, 00/22)

The payment rate for allowable child care expenses shall be set by CDD.

CDD will pay the child care provider except in the following situations, where ESD will pay the provider:

Child Care Assistance

- If CDD denies an application for legally exempt child care (LECC) certification filed by a participant's provider, ESD will pay the expenses for up to three weeks of child care furnished by that provider during the period that CDD was considering the provider's application for LECC certification.
- For short-term, sporadic, or generally nonrecurring Reach Up activities, including assessment, job readiness activities, or job search, ESD will pay \$10 a day per child for child care for children under 13, limited to 20 days of care per provider. These \$10 per day payments will be made only to providers who are ineligible for child care reimbursement from CDD. For payment of additional days of care, the provider may apply to CDD for LECC status.

This allowance for child care may cover children 13 and older if the child meets the basic eligibility criteria at rule 2316.1 for children of that age, the allowance is approved by the Reach Up supervisor, and the need is documented in the file.

- When the hours enable the adult to participate in an FDP activity, ESD may pay up to \$200 per child taking part in town or school summer youth recreation programs for six to eight weeks. ESD will provide payment for these types of summer camps only.

Participation Phases

2322 Participation Phases (05/01/2014, 13-42)

Adults move toward work and independence from financial assistance by progressing through the phases of the services component. There are four phases of the component: the application phase, the pre-work- ready phase, the work-ready phase, and the employment phase.

Participation in each of the second and third phases is limited to 12 cumulative months for each adult during a lifetime (rule 2322.5). Not all adults will spend 12 months in each of these phases, however; many will spend only a short time in them, and some will skip the work-ready phase. The time it takes to progress through the pre-work-ready phase and the work-ready phase will vary depending on the participants needs, abilities, and employment goal. Any full calendar month for which an adult receives Reach Up financial assistance is counted toward the 12-month limit for the phase to which the adult is assigned as of the first day of the month, even if the work requirement is deferred or modified.

2322.1 Application Phase (05/01/2014, 13-42)

Applicants begin their participation in the Reach Up Program's services component when they submit their application for Reach Up financial assistance. All adults in the applicant household must an initial FDP agreeing to meet with the case manager at a scheduled time directly after being found eligible for Reach Up financial assistance (rules 2201, 2330). Applicants who have received 60 or more countable, cumulative months of assistance will be required to fully comply with post-60-month requirements for a period of two consecutive weeks or, in the case of applicants claiming a deferment, supply verification of and meet the criteria for the deferment. As soon as applicants begin participating in the financial assistance component, they must proceed to the pre-work-ready phase of the program.

2322.2 Pre-Work-Ready Phase (05/01/2014, 13-42)

During the pre-work-ready phase, adult participants receiving Reach Up financial assistance must meet with their case manager to begin the assessment process, set an employment goal, and develop their FDP. No later than 30 days following the participants first meeting with the case manager, these planning activities must be completed to a degree that allows appropriate assignment to a participation phase according to the criteria in rule 2322.5. In the case of participants previously assigned to a later phase, these planning activities will start with a review of the participants previous assessment, employment goal, and FDP.

The following participants will be expected to begin meeting their work requirement as soon as they have their first meeting with the case manager:

- principal-earner parents;
- parents choosing to share the work requirement; and
- participants previously assigned to the work-ready phase or the employment phase during a prior period of receipt of financial assistance.
- participants who have received 60 or more countable, cumulative months of assistance, unless deferred from their work requirement.

All other participants shall be expected to participate in countable work activities consistent with the employment goal to the extent they are capable prior to assignment to a participation phase.

Participation Phases

Following assignment to the pre-work-ready phase, participants shall engage in FDP-approved activities designed to increase the number of hours they can participate in countable work activities. During this phase, they shall engage in countable work activities to the extent they can. As appropriate, case managers shall refer pre-work-ready participants to vocational rehabilitation or other service providers to address their limitations and barriers.

The participant who has increased participation in countable work activities during the pre-work-ready phase to the extent that the work requirement is met shall move to the work-ready phase immediately. Unless granted an extension (rule 2341.4), any adult participant who has not advanced to the work-ready phase after having received 12 cumulative calendar months of financial assistance (rule 2322.5) shall be work-ready on the first day of the 13th cumulative month they receive assistance. At that time the participant must move to the work-ready phase.

2322.3 Work-Ready Phase (07/01/2001, 00-22)

Adult participants in the work-ready phase must meet their full work requirement in countable work activities unless they have been granted a modification of or deferment from the work requirement. During this phase, all participants engage in the activities that provide the most expeditious route to attainment of their employment goal. Under no circumstances may participants spend more than 12 full cumulative calendar months in this phase (rule 2322.5).

After completing the activities leading to the employment goal or reaching the 12-month limit for the work-ready phase, participants move to the employment phase, in which they must seek and obtain unsubsidized employment (rule 2343).

2322.4 Employment Phase (02/01/2009, 08-10)

Participants shall meet the work requirement through employment when they have completed all required FDP activities leading to their employment goal or received 24 months of financial assistance, whichever comes first. Participants in the employment phase must seek unsubsidized employment that meets their work requirement.

Participants in the employment phase must accept any unsubsidized job offered unless they qualify for one of the limited exceptions in rule 2343.4.

After the required period of intensive job search (rule 2350.2), the case manager shall place those unable to obtain unsubsidized employment in subsidized work, a community service placement, or any other activity that will enhance the participant's employability and that, in combination with any unsubsidized work, meets the work requirement. All participants not meeting their work requirement solely with unsubsidized employment shall be expected to continue to seek unsubsidized employment while in other activities.

2322.5 Assignment to a Phase (07/01/2001, 00-22)

After the family has been approved for participation in the Reach Up financial assistance component, the adults move to the pre-work-ready phase for assessment and development of an employment goal. Next, the case manager must assign the adult to the appropriate participation phase in according to the following criteria:

Participation Phases

- Participants capable of pursuing their employment goal without engaging in countable work activities other than job search and unsubsidized employment shall move to the employment phase and seek unsubsidized employment that meets their work requirement immediately.
- Participants for whom all three of the following conditions are true shall set an employment goal they can attain with their existing qualifications, move to the employment phase, and seek unsubsidized employment that meets their work requirement immediately:
 1. They have no barriers.
 2. They have a certification, license, or particularized work experience or skills that would qualify them for a position paying gross wages equal to or in excess of 150 percent of the federal poverty level for their family size.
 3. The position in (2.) exists in the current job market within an hours commute of home.
- Participants who can meet their work requirement with countable work activities but whose FDP requires them to engage in activities designed to prepare them for attainment of their employment goal shall proceed to the work-ready phase. During this phase, they will meet their work requirement by engaging in countable work activities included in their FDP.
- Participants who have limitations or barriers that bar them from meeting their work requirement with approved work activities shall remain in the pre-work-ready phase to engage in approved activities that help them move toward being work-ready. Principal-earner parents and parents sharing the work requirement, however, shall not be assigned to the pre-work-ready phase.
- Notwithstanding the assignment conditions specified above, participants previously assigned to the work-ready or employment phase shall return to their last assigned phase and cannot be assigned to a prior phase. Any limitations or barriers that now bar such participants from meeting their work requirement with approved work activities may be considered possible grounds for deferment or modification of the work requirement.

2322.6 Months of Financial Assistance (07/01/2001, 00-22)

The department shall calculate the number of months a participant has spent in the pre-work-ready phase or the work-ready phase according to the following rules.

- A. The count of cumulative months of Reach Up financial assistance receipt begins no earlier than the first full month the participant receives Reach Up financial assistance.
- B. Only full months of receipt of Reach Up financial assistance are counted.
- C. Months of assistance received prior to July 1, 2001, are not counted unless the participant received Aid to Needy Families (ANFC) during the Welfare Restructuring Demonstration Project (WRP) period (July 1, 1994, through June 30, 2001) and has a work-ready date established in accordance with department rules stated in rule 2341.5.

Adult Participants

2335 Adult Participants (02/04/2012, 11-04)

The following requirements apply to every participating adult, including minor parents (rule 2336), unless an exception is noted.

- Each adult shall participate in the development of the FDP.
- Each adult shall report as directed by the case manager for assessment and evaluation activities.
- Each participating adult shall begin to comply with the FDP requirements as soon as the requirement is included in the FDP and available.
- Adults shall engage in their FDP activities for the number of hours per week that the activities are scheduled and available, unless good cause (rule 2363) exists for not doing so.
- When required by the case manager, the participant shall provide written verification from the service provider or project supervisor of attendance and participation in any FDP activity. The frequency of the verification will depend upon the intensity and duration of the activity. A case manager shall assist a participant having difficulty obtaining verification from the service provider at the participant's request.
- Each adult shall continue to comply with the FDP requirements.
- Adult participants who apply for SSI for themselves or apply for SSI on behalf of a child in their care, or who are pending a decision on an SSI application, shall have an FDP requirement of completing an agreement authorizing the department's recovery of Reach Up funded with state funds from SSI retroactive payments, according to the specifications in rule 2391.4.

2335.1 Primary Caretaker Parents (07/01/2001, 00-22)

Primary caretaker parents not sharing a work requirement must meet with the case manager for assessment, to develop their FDP, and to establish an employment goal. As long as the principal-earner parent fulfills the work requirement, the primary caretaker parent is not required to pursue an employment goal or fulfill the work requirement. The FDP of a primary

caretaker parent shall, however, include requirements to participate in activities essential to the principal-earner parents fulfillment of the work requirement.

Subject to program rules and limitations, the department will provide support services to primary caretaker parents who elect to engage in any of the following FDP activities:

- parenting classes or activities designed to address an identified parenting need;
- pursuit of a secondary education diploma or participation in a recognized equivalent program;
- substance abuse, mental health, or domestic abuse counseling; and
- pursuit of an employment goal within the program time limits (rule 2322).

Minor Parents

2336 Minor Parents (07/01/2001, 00-22)

A minor parent is an individual under age 18 who is a parent or pregnant individual. Regardless of their school attendance, dependent status, age, the age of their youngest child, or participation in a supervised living arrangement, all minor parents must participate in their FDP activities at all times. The minor parent's FDP shall include all the following requirements applicable to the minor parent's circumstances.

- Principal earners who are minor parents may be required to report to a local community-based organization (CBO) for case management services. The department may waive this reporting requirement if the principal earner has good cause for noncompliance. The department may also waive the requirement if either the department or the CBO is unable to comply with the requirement.
- The minor parent shall take part in case-managed support, education, and training activities.
- The minor parent shall attend school or an appropriate alternative education or training program.
- If the minor parent is not emancipated in accordance with 12 V.S.A. §7151, the minor parent and the dependent children in the minor parents care must reside with a parent or in an approved living arrangement.

2336.1 Approved Living Arrangement (07/01/2001, 00-22)

For purposes of this section, the following definitions apply:

- Adult relative means an individual age 25 or older who is related to the minor parent. Paternal grandparents of the dependent child are considered adult relatives, if paternity is established.
- Approved living arrangement means a setting with a parent or relative at least 25 years old who provides supervision on a full-time or part-time basis as approved by a case manager and includes, at a minimum, safe, adequate shelter, the opportunity and encouragement for the minor parent to learn independent living skills and parenting skills through experience, and strong support to help the minor parent meet the goals of the Reach Up family development plan. Approved living arrangements also include group homes for pregnant and parenting teenagers, licensed foster homes, and ESD-approved congregate housing with an adult residing in one of the living units. A parental home that the minor parent considers unacceptable shall not be considered an approved living arrangement.

If the minor parent is not residing in an approved living arrangement as defined above, the case manager and minor parent shall jointly determine whether any such living arrangement is available and appropriate. The home of a parent or legal guardian shall be the first option explored by the case manager and minor parent. If either the case manager or minor parent does not agree that a parental home is available and appropriate, they shall seek an alternative approved living arrangement.

If the minor parent is participating in an approved substance abuse treatment program or a vocational or educational program that would no longer be geographically available if the minor parent returned to the parent or legal guardian's home, the case manager shall help the minor parent find an alternative living arrangement.

Work Requirement Hours

Type of Family	Ability to Work	Paren	Work Requirement
Single parent or caretaker with child under 6	Parent or caretaker able-to-		20 hours per week
	Parent or caretaker able-to-work-part-time		20 hours per week or the number of hours the parent is able-to-work-part-time, whichever is less
	Parent unable-to-work		None
Single parent or caretaker with child 6 or older	Parent or caretaker able-to-		30 hours per week
	Parent or caretaker able-to-work-part-time		30 hours per week or the number of hours the parent is able-to-work-part-time, whichever is less
	Parent unable-to-work		None

NOTE

References in the chart to participants "unable-to-work" or "able-to-work-part-time" address work requirements for participants in families where an adult has a medical deferment from or modification of the work requirement (rule 2360).

A change in a medical condition affecting the parents ability to work that lasts fewer than three months and reduces or eliminates the number of hours that parent must participate shall have no effect on the second parents required hours of participation.

For simplicity sake, the above chart expresses the work requirement for each adult as a single number of hours. To address the fact that the hours of employment actually made available to participants may not equal the number of hours they are required to work, the department has specified each work requirement as a range of hours in the next two subsections. The lower limit of the range of hours equals the number of hours of employment a participant is required to accept and retain. This is the number included in the chart. The upper limit of the range of hours equals the maximum hours of employment a participant is required to accept and retain. Both numbers are included in the next two subsections. Any participant may work more than the maximum number of hours voluntarily.

2343.1 Parents in Two-Parent Families (04/01/2008, 08-02)

A. Two Able-to-Work Parents

In a two-parent family with two able-to-work parents, the parents have two options for how they may fulfill their work requirement hours. The parents shall be advised of the options at their initial interview. In the first option, the principal-earner parent fulfills the family's work requirement, and the primary caretaker parent will have a work requirement only if the principal-earner parent is sanctioned for failing to fulfill the work requirement. In the second option, the parents share the responsibility for the work requirement.

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Regardless of the option selected, the parents must designate one parent as the principal-earner parent and one parent as the primary caretaker parent. The designation of the principal-earner parent must be made at the time the family applies for Reach Up financial assistance. Once the parents designate the principal-earner parent, the parents may change the designation under the following circumstances:

- by the parents choice at their first meeting with the case manager;
- at their first meeting with the case manager following reapplication after a break in benefits for one full calendar month or more;
- when the principal-earner parent is sanctioned (rule 2372.2) and the other parent fulfills the work requirement through unsubsidized work; and
- when the parent who is not the principal-earner parent fulfills the work requirement through unsubsidized work for at least two weeks.

1. Option in Which the Principal-Earner Parent Fulfills the Work Requirement

The principal-earner parent who has not secured employment during the applicant job search shall participate full time in approved work activities. After completing the activities leading to the employment goal, the parent shall work full time in unsubsidized work. Full time generally means 40 hours per week but also includes, in the case of an unsubsidized job that the employer defines as full-time, a job that requires no fewer than 35 and no more than 45 scheduled hours per week. The primary caretaker shall have no work requirement, provided that the principal-earner parent complies with and is not sanctioned for failing to meet the work requirement. In the event that the principal-earner parent is sanctioned for failing to meet the work requirement, the primary caretaker parent shall be deemed work-ready and required to fulfill the family's work requirement. If the principal-earner parent is sanctioned, the primary caretaker parent shall report to the family's case manager, complete an assessment, modify the family's FDP, and comply with the family's work requirement by the 30th day following the effective date of the principal-earner parents sanction.

2. Option in Which the Parents Share Responsibility for the Work Requirement

Two able-to-work parents may share the work requirement, provided that they secure employment or participate in work activities with combined hours equal to or exceeding 40 hours per week.

B. One Able-to-Work Parent

In a two-parent family with only one able-to-work parent, the able-to-work parent shall participate in approved work activities for no fewer than 30 hours per week. After completing the activities leading to the employment goal, the able-to-work parent shall accept an offer of and work in unsubsidized employment with scheduled hours of no fewer than 30 and up to 35 hours per week.

C. Two Able-to-Work-Part-Time Parents

1. One Parent Can Work 30 or More Hours Per Week

In a two-parent family with two able-to-work-part-time parents, if one parent can work 30 or more hours per week, then that parent shall participate in approved work activities for no fewer than 30 hours per week. After completing the activities

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leading to the employment goal, the parent who can work 30 or more hours shall accept an offer of and work in unsubsidized employment with scheduled hours of no fewer than 30 and up to 34 per week as long as the number of hours does not exceed the number of hours the parent can work. The second parent does not have a work requirement.

2. Parents Can Work 30 or More Hours Per Week Combined and Neither Parent Can Work 30 or More Hours Alone

If the family includes two able-to-work-part-time parents who can work a combined total of 30 or more hours per week, but neither can work 30 or more hours alone, the parents shall both participate in approved work activities for a combined total of no fewer than 30 hours per week. After completing the activities leading to their employment goals, these parents shall accept and work in unsubsidized employment with combined scheduled hours of no fewer than 30 and up to 34 hours per week, provided that the scheduled hours do not exceed the combined number of hours the parents can work.

3. Two Able-to-Work-Part-Time Parents Cannot Work 30 Hours Per Week Combined

If the family includes two able-to-work-part-time parents who cannot work 30 hours per week when their hours are combined, they shall participate in approved work activities for the total combined number of hours they can work. After completing the activities leading to their employment goals, these parents shall accept and work in unsubsidized employment for the combined number of hours they can work.

4. One Able-to-Work-Part-Time Parent and One Unable-to-Work Parent

a. One Able-to-Work-Part-Time Parent Can Work 30 or More Hours Per Week

If the family includes one unable-to-work parent and one able-to-work-part-time parent who can work at least 30 hours per week, the able-to-work-part-time parent shall participate in approved work activities for no fewer than 30 hours per week. After completing the activities leading to the employment goal, the able-to-work-part-time parent shall accept unsubsidized employment with scheduled hours of no fewer than 30 and up to 34 hours per week, provided that the scheduled hours do not exceed the number of hours that the parent can work.

b. One Able-to-Work-Part-Time Parent Cannot Work 30 Hours Per Week

If the family includes one unable-to-work parent and one able-to-work part-time parent who cannot work 30 hours per week, the able-to-work-part-time parent shall participate in approved work activities for the number of hours that the parent can work. After completing the activities leading to the employment goal, the able-to-work-part-time parent shall work in unsubsidized work for the number of hours that the parent can work.

Work Requirement Hours

2343.2 Single Parents and Caretakers (07/01/2001, 00-22)

A. Single Parent or Caretaker in a Family with No Child Under Six

1. Able-to-Work Parent or Caretaker

If the family includes only one able-to-work adult, the participant shall participate in approved work activities for no fewer than 30 hours per week. After completing the activities leading the employment goal, the participant shall accept unsubsidized employment with scheduled hours of no fewer than 30 and up to 35 hours per week.

Conciliation

2374 Conciliation (7/1/2015, 15-08)

Conciliation is the process by which disputes related to an individual's failure to comply with services component requirements are resolved. Conciliation may also be requested for dispute resolution by an individual who has a complaint about the working conditions, workers' compensation coverage, or the wage rates used in calculating required hours of participation with respect to work activities included in the FDP.

The case manager shall initiate conciliation when the following conditions are met:

- A. The case manager has determined that the individual's de facto refusal to comply with services component requirements was without apparent good cause (rule 2370).
- B. The individual has not conciliated more than one dispute within the calendar year (rule 2374.1).

The conciliation process is not available to families who have received 60 or more months of countable, cumulative assistance.

2374.1 Conciliation Process (7/1/2015, 15-08)

When the conditions for conciliation for noncompliance (rule 2370) are met, the case manager shall mail a notice scheduling a conciliation conference to the individual within 10 days of the date the case manager became aware of the noncompliance. The case manager should schedule the conference as soon as administratively possible, but no sooner than the fourth workday after the date the notice is mailed. A client may waive advance notice of the conciliation conference by signing a waiver of notice. The waiver must include the information listed below.

The notice of the conciliation conference must include the following:

- the reason for the determination of noncompliance without good cause;
- the steps in the conciliation resolution;
- the right to have a representative present at the conciliation conference; and
- the sanctions to be imposed if conciliation is unsuccessful.

Effective May 1, 2014, participants may conciliate disputes only once within a calendar year (January – December). A conciliation counts in the year in which it was initiated. Any subsequent noncompliance without good cause within this time period will result in the immediate initiation of the sanctions process without an opportunity for conciliation.

Any time an individual makes a claim of good cause and the case manager determines that documentation of such good cause is necessary, the individual will have 10 days from the date the claim was communicated to the case manager to provide documentation. When the individual is unable to obtain required documentation and requests the case managers help to obtain it, the case manager shall provide that help, if possible.

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When it is determined, at any time during a conciliation process, that the individual had good cause for noncompliance or qualifies for a deferral from or modification of the work requirement, conciliation will end. Under these circumstances, there will be no conciliation resolution plan, and the conciliation will not be counted toward the limit of one conciliation in a calendar year, as defined above.

2374.2 Conciliation Resolution Period (7/1/2015, 15-08)

The conciliation resolution period begins on the date of the first scheduled conciliation conference and lasts for no more than 15 consecutive calendar days.

The conciliation resolution period is the time frame during which the case manager and the individual meet and explore, through the processes of fact-finding and problem-solving, ways in which the individual may satisfy services component requirements. They will review and, if possible, resolve any circumstances hindering compliance. This review shall also include a review of all applicable good cause, deferral, and modification criteria.

The product of the conciliation conference is a conciliation resolution plan. This plan describes what the individual must do to achieve satisfactory participation and the time frames involved. The case manager and participant will revise the FDP in accordance with the conciliation resolution plan.

The conciliation ends if, during the conciliation resolution period, there is a finding of good cause for noncompliance or a decision is made to defer or modify the requirements related to the individual's noncompliance. In such case, no conciliation resolution plan will be developed, and the conciliation will not count toward the limit of one conciliation in a calendar year.

The case manager shall advise the individual of the right to terminate the conciliation process at any time. Such termination of conciliation will result in a determination of unsuccessful resolution and immediate initiation of the sanctions process.

2374.3 Successful Resolution (7/1/2015, 15-08)

Conciliation is considered successfully resolved when the individual demonstrates compliance with the activities outlined in the conciliation resolution plan and the revised FDP. Such compliance must begin within five calendar days of the date of the completion of the conciliation resolution plan and continue for a period of time from two weeks to three months, as specified by the case manager in the conciliation resolution plan.

Individuals who quit an unsubsidized job without good cause must engage in job search for two weeks and fulfill their work requirement in unsubsidized employment for two consecutive months to resolve the conciliation successfully.

2374.4 Unsuccessful Resolution (7/1/2015, 15-08)

The conciliation process shall be determined unsuccessful when the individual:

- fails without good cause to respond to one written notice of a scheduled conciliation conference;
- exhibits a pattern of behavior from which refusal to participate can be reasonably inferred;

Conciliation

- fails without good cause to participate satisfactorily in activities outlined in the conciliation resolution plan and included in the revised FDP for the required time period; or
- voluntarily terminates the conciliation process before a successful resolution has been reached.

When the case manager determines that the resolution of a single conciliation within a calendar year has been unsuccessful, the case manager's supervisor shall review the conciliation process and the basis for the case manager's determination, prior to initiation of the sanction process.

When resolution of the conciliation is unsuccessful, the case manager begins the process necessary to apply the appropriate sanctions. The sanctions process begins with a written notice to the individual at least 10 days before the sanctions are scheduled to begin. This notice explains the action being taken, the reason for the action, and the individual's right to appeal the decision. The individual then has 90 days in which to appeal. If a fair hearing is requested and the basis for the decision being appealed did not involve an exploration of good cause with the individual, the case manager will attempt again to contact the individual to determine whether there was good cause for noncompliance. If the individual requests a fair hearing before the sanctions begin, the sanctions are not applied while the appeal is pending.

Sanctions for Noncompliance

2375 Sanctions for Noncompliance (05/01/2014, 13-42)

If a participating adult, including a minor parent, fails to comply with services component requirements, the department shall impose a fiscal sanction by reducing the financial assistance grant of the sanctioned adult's family (rule 2375.2). This section does not apply to sanctions imposed on out-of-school youths (rule 2337). This section does not apply to families who have received 60 or more countable, cumulative months of assistance.

A sanction is imposed only if conciliation (rule 2374) is unsuccessful or not available. Once a fiscal sanction has been imposed, the sanctioned adult who chooses to demonstrate compliance with program requirements may cure the sanction and have the full grant amount restored (rule 2372). The adult who complies with service component requirements for 12 consecutive months following fiscal sanctions will have the past sanctions forgiven (rule 2373).

When the case manager determines, at any time during the sanctions process, that the sanctioned individual had good cause for the noncompliance, the case manager shall terminate the sanctions. The months of sanction associated with this instance of noncompliance shall not count as months of sanction for the purposes of this section.

For the purposes of this section, the family's financial assistance grant is the amount the family would receive after imposition of sanctions due to noncooperation with the pursuit of child support, if any, but before recoupment of a previous overpayment.

2375.1 Independent Review and Notice (05/01/2014, 13-42)

Before a fiscal sanction is imposed, the district director or the district director's designee shall review the basis for the action. The review shall include consideration of the sanctioned participants circumstances, possible good cause reasons for the noncompliance, the basis for the case managers determination of noncompliance, and the departments compliance with pre-sanction processing requirements.

The sanction process begins with a written notice to the individual at least 10 days before the sanction is scheduled to begin. This notice explains the action being taken, the reason for the action, and the adults right to appeal the decision. The individual then has 90 days in which to request a fair hearing. If the individual requests a fair hearing before the sanction is applied to the grant, the sanction will not be applied while the appeal is pending.

2375.2 Sanction Amounts (05/01/2014, 13-42)

For a first, second, and third cumulative month in which an adult is sanctioned, the family's financial assistance grant shall be reduced by the amount of \$75.00 for each adult subject to a fiscal sanction.

For the fourth cumulative month and any subsequent month in which an adult is sanctioned, the family's financial assistance grant shall be reduced by the amount of \$150.00 for each adult subject to a fiscal sanction.