
**Report to
The Vermont Legislature**

Evaluation of Reach Up

In Accordance with 33 V.S.A. §1134(a)

**Submitted to: Governor
General Assembly**

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Introduction

This report is submitted pursuant to 33 V.S.A § 1134 (a), which requires by January 31 of each year, the Department for Children and Families (DCF) report to the Governor and the General Assembly on progress during the past year implementing the Reach Up program and achieving the goals in 33 V.S.A. § 1102. The following sections in this report correspond to the numerical paragraphs under subsection 1134 (a). Most data in this report, unless stated otherwise, are for the period October 1, 2012 through September 30, 2013 (federal fiscal year 2013). Data reported in Sections 4 and 5 (Reach Up leavers' participation in 3SquaresVT and Health Care Assistance) are for the 2013 state fiscal year.

Pursuant to 33 V.S.A § 1134 (c), the Commissioner of the Department for Children and Families (DCF) reports to the House Committee on Human Services, the Senate Committee on Health and Welfare, and House and Senate Committees on Appropriations on the cumulative months of Reach Up families' receipt of TANF-funded financial assistance. The report, titled "Annual Report on Families' Receipt of Reach Up Assistance in Excess of 60 months," is available upon request. In summary, the projections in that report are based on the available data. According to the data and the projections, the number of families that will qualify for the hardship exemption from the 60-month limit on receipt of TANF-funded assistance will not exceed the allowable 20 percent of the caseload for the time periods covered in the report.

Highlights of 2013

Reach Ahead

Reach Up recently completed an evaluation of the Reach Ahead program. This evaluation is available upon request and will be posted on the DCF/Reach Up web page. The objective of this evaluation was to gather, analyze and report information needed to help DCF better understand the impact of the benefits cliff for families leaving Reach Up and how to mitigate its effects. The analysis compares Reach Ahead case outcomes from 2009 when the program was initiated.

Reach Up and the 180 Day Temporary Absence Rule

On February 1, 2013, the Reach Up program implemented a policy to allow extended Reach Up eligibility for families where a parent or child is absent from the household for up to 180 days. Previously, Reach Up benefits closed when eligible parent(s) or child(ren) were absent from the home for more than 30 days; the Temporary Absence rule allows benefits to remain open under certain circumstances. Reach Up may stay open if a parent must be out of the home to address substance abuse or mental health issues, or is hospitalized. When children are absent for the same reason, or if they are placed in DCF custody or a similar custody arrangement, or are incarcerated, Reach Up may also remain open for up to 180 days. In both types of absences, the extended Reach Up benefits allow the families to maintain stable housing, and give them the means to support themselves while they address issues necessary to return to the home.

Between February 1, 2013 and December 31, 2013, Reach Up approved 75 Temporary Absence cases. The vast majority (72 out of 75 total cases, or 96%) have been child absences due to DCF custody. An average of 7 cases per month is approved for the extended absence of parent or child. From the approved cases in Fiscal Year 2013, a total of eighteen children from 13 families have been reunified with their families within the required 180 day time span. This number constitutes 42% of the families approved during Fiscal Year 2013. The average absence time is 60 days for children who were returned to their homes.¹

The rule's intent is to improve family stability, thus increasing the family's chances of successful reunification in all situations covered by the rule. Reach Up program staff have collaborated closely with Family Services to address the needs of these families. Given the necessity of treating mental health and substance abuse issues for the well-being of the family, and the likelihood of attaining self-sufficiency, allowing parents the ability to address these issues and maintain their home while receiving treatment is crucial.

Reach Up Preparation for Time Limits Implementation

In 2013, the Vermont legislature mandated that Reach Up benefits would be discontinued for participants who have received financial assistance for 60 or more countable, cumulative months. Along with this time limit came other associated mandates, such as a new case review process when a participant reaches 18 and 36 months of cumulative financial assistance, and an independent medical review process for all medical-based deferments.

¹ The data regarding how many children were returned to the home within 180 days is compiled from the cases in Fiscal Year 2013 (32 cased). Since FY '14 has not ended, there are families who may yet be reunified. Including FY '14 in the analysis of returned children would skew the results.

An internal work group has met since May of 2013 to prepare for changes made to the Reach Up program due to time limits legislation. This group, which is made up of both central office and field staff, has created an implementation plan. The group meets twice monthly and has broken into sub committees in order to draw on the expertise and knowledge of as many stakeholders as possible. The implementation plan is updated on a regular basis and includes communication about time limits and associated changes.

Reach Up's Substance Abuse / Mental Health Initiative

The Reach Up program, in partnership with the Department of Mental Health (DMH) and the Department of Health's Alcohol and Drug Abuse Program (ADAP), is providing mental health and substance abuse services to address employment barriers and family well-being for Reach Up participants.

Four Agency of Human Services (AHS) district offices - Barre, Burlington, Rutland and St. Albans - will have access to clinicians and case managers that are contracted through their designated area agencies. These professionals and their designated agencies will provide emergency services, individual, family, and group therapy, intensive outpatient treatment, medication management, residential substance abuse treatment, and medication assisted therapy to Reach Up participants.

This program also offers an opportunity for three AHS service systems to work in conjunction to provide integrated mental health and substance abuse treatment for people on public assistance. Research done on a national level shows that "approximately one out of every five Temporary Assistance for Needy Families (TANF) recipients in the US abuses drugs or alcohol²." "In addition, approximately one-third of TANF recipients have a mental health condition that may interfere with employment³." "Also nationwide, approximately fifty percent of people with a substance abuse condition have a co-occurring mental health condition."⁴

Reach Up and Domestic Violence Training Deferral AIM Project

Reach Up participated in the AHS Agency Improvement Model (AIM) program this year. The focus of the Reach Up program's project was to recognize the signs of domestic violence and increase awareness and availability of domestic violence deferments from the work requirement for participants. When Reach Up began this process, the statewide average of participants identified and deferred for domestic violence was 6 participants per month.

The AIM process resulted in positive outcomes. The project involved decreasing the lengthy documentation process which can be re-traumatizing to participants and provided training to staff on domestic violence. In return, the recognition of domestic violence tripled, going from 6 to 19 deferred participants in the Reach Up program. While this number may seem low at first glance, it is important to note that the deferral is for the work requirement and not a condition of eligibility. Many participants who have experienced domestic violence are still able to work and choose to do so while on Reach Up.

Reach Up Job Readiness Assessment Training

A committee of Reach Up managers compiled an inventory of nationally recognized and validated assessments and screening tools for use by staff in their practice with clients. These

² Center on Addiction and Substance Abuse, 2000

³ Matmatica Policy Research, 2000

⁴ Substance Abuse and Mental Health Services Administration, 2004

assessments provide screening tools for cognitive and emotional issues, substance abuse, and provided more in-depth instruments to identify vocational interests and learning styles.

In the last year, 3 of 4 sessions of staff training were held in the administration of the “Barriers to Employment Success” and the “Job Search Attitude Inventory.” These two screenings are useful for a broad range of clientele as program staff work to build motivation for strengthening family stability and employment success. The use of experienced peer facilitators for these trainings has been an effective method, which the program will continue to employ with additional professional development.

Reach Up Policy Work Group

In 2013, the Vermont legislature directed the Commissioner of DCF to “convene a work group to examine public policy options for restructuring the Reach Up program in a manner that emphasizes participant responsibility for receipt of benefits.” On July 11th, the initial work group meeting was held with a membership of twenty participants and a support team comprised of Reach Up central office staff. Seven subsequent meetings were held on the second and fourth Thursdays of each month through October.

“The work group divided itself into four committees: Program (divided into two sub-committees), Participant, Systems, and Service. A “road map” was created that reframed each of the eleven legislatively defined tasks as a question, and included potential sources of information to guide the committees’ research including: regularly produced legislative and internal program reports, content experts, national level research about TANF and poverty issues, and new data-gathering strategies such as conducting surveys and interviews.

The work group held its final meeting on Thursday October 31, 2013, and the final decisions and recommendations that emerged from that meeting were synthesized and included in the work group’s final report. A public web site linked to the Economic Services Division’s home page was created to help organize and manage the large flow of information. All materials distributed to the work group, including published articles, survey results, meeting minutes and agendas, and other program related information was posted to the website. The website will be maintained through the 2014 legislative session.” The internet address is:

http://dcf.vermont.gov/esd/reach_up/policy_workgroup⁵

Postsecondary Education (PSE)

Reach Up continues its PSE program, encouraging qualified participants to apply, and students already in the program to complete their education. Case management of PSE participants remains with local Reach Up case managers, and students continue to have more direct and in-person contact with their local district case manager.

Reach Up and Family and Housing Vouchers

Reach Up continues to work closely with programs that provide housing subsidies to marginally housed and homeless families. Reach Up partners with the Vermont State Housing Authority for 100 Family Unification Vouchers and provides support services to Reach Up participants who receive the subsidy. Reach Up also partners with the Vermont Rental Subsidy program where

⁵ As written in “Report of the Reach Up Policy Workgroup,” prepared by Carol Maloney and submitted to the Vermont Legislature by David Yacovone on December 3, 2013

Reach Up families comprise 75 percent of the subsidy population. Reach Up has a housing case manager in three districts focusing on the homeless and marginally housed.

Reach Up Partnership with Head Start

Reach Up and the Head Start programs across the state have continued their Memorandum of Understanding to develop systems and protocols improving coordination and collaboration between Reach Up and Head Start. Throughout the state, district offices have worked to make connections between Reach Up and Head Start, organizing team meetings and care coordination.

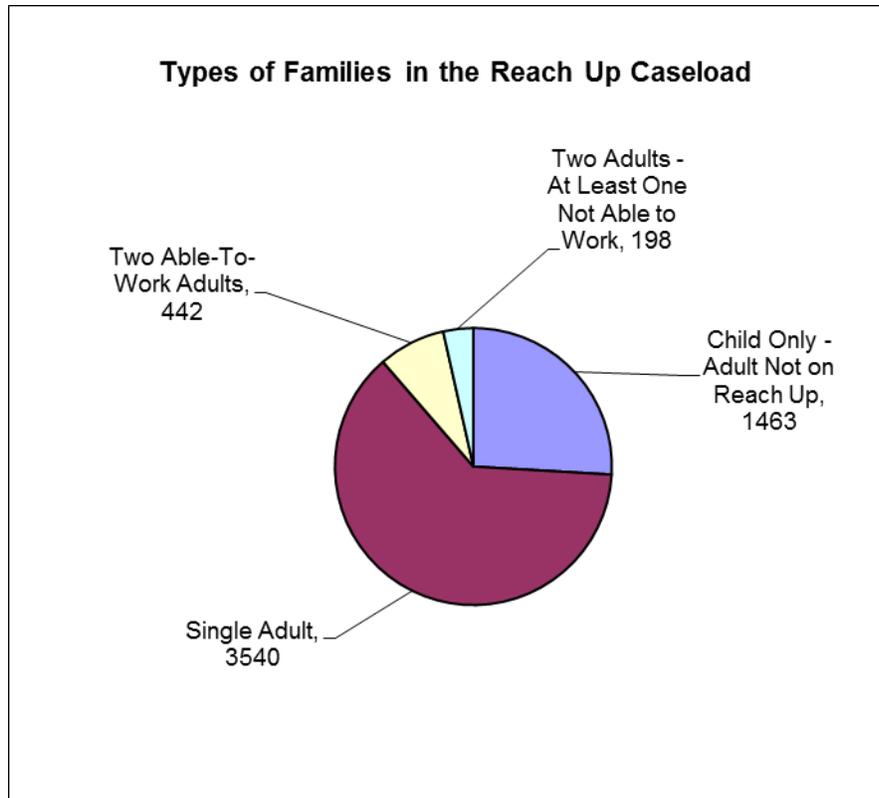
Reach Up Transportation

Reach Up continues in its partnership with Good News Garage, providing 70 cars and 26,000 rides to working families statewide through its Ready to Go Transportation Program.

Section 1

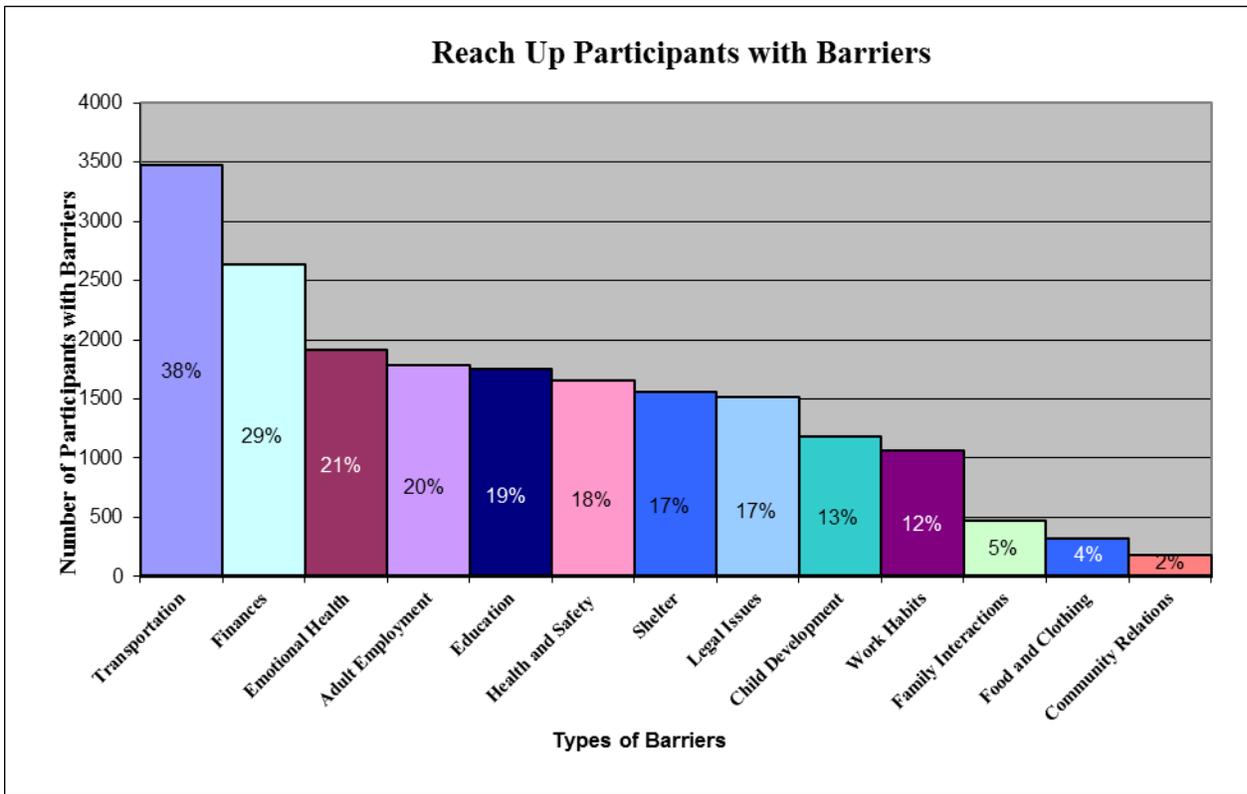
Types of Barriers Facing Reach Up Families Seeking Economic Self-Sufficiency, Number of Families with Each Type of Barrier, and Frequency of Occurrence of Each Type of Barrier

Charts in this section illustrate the types of families and number of adults participating in the Reach Up program, the number of participants with barriers, ages of children in Reach Up families, and the number of participants with deferments from the work requirement. The figures are the average monthly numbers for the period October 2012 through September 2013.



Average Number of Adults Participating in Reach Up Program

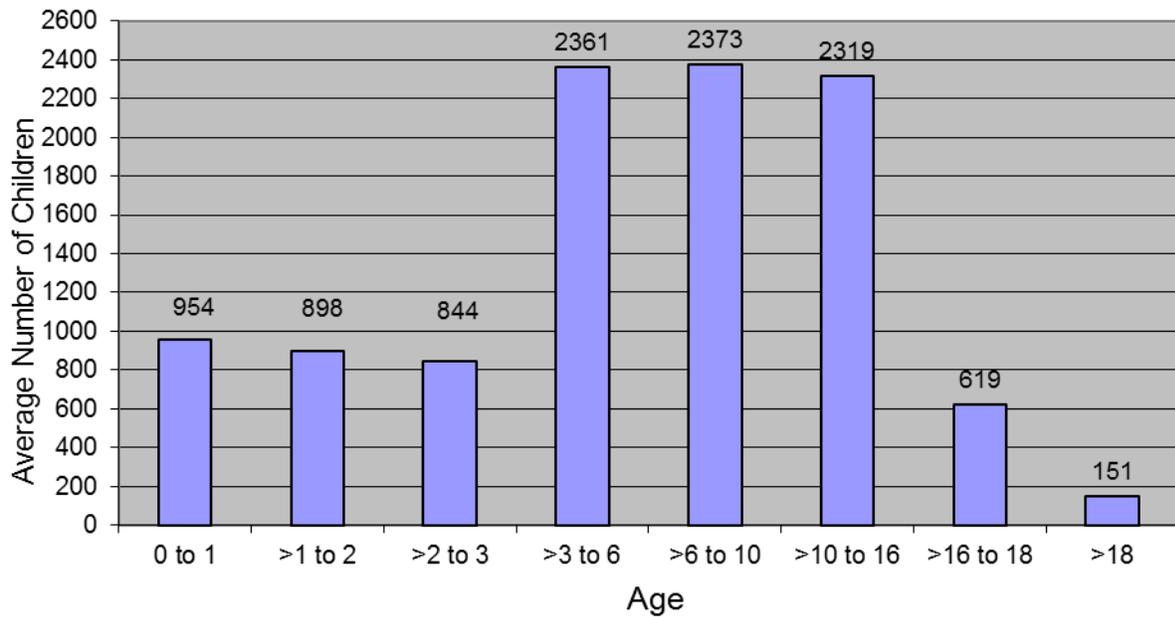
Family Type	Average Number of Adults Participating in Reach Up Each Month (does not include Postsecondary Education Program, Reach First and Reach Ahead participants)
Child Only (child's parent or caretaker is not on Reach Up)	0
Single Adult	3540
Two Able-To-Work Adults	776
Two Adults, At Least One Not Able to Work	397
Total Adults	4713



The above chart illustrates the percentage of Reach Up participants assessed as having the specified barriers. During the period October 2012 through September 2013, case managers assessed 9039 participants and found 19,526 barriers, an average of 2.2 barriers per participant.

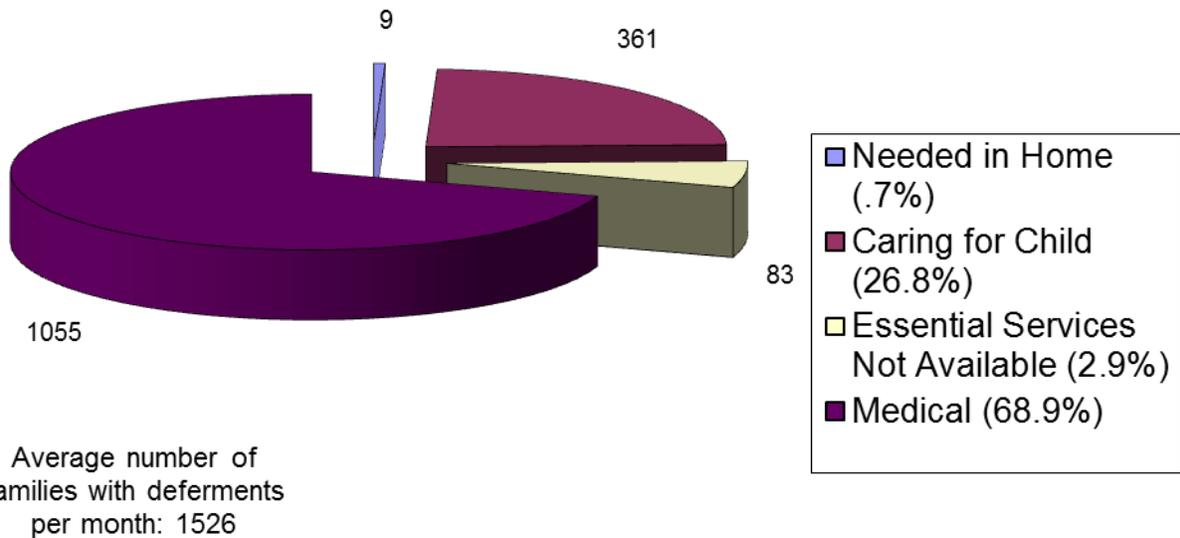
Reach Up provides incentives and support services designed to help families overcome barriers to self-sufficiency. Support services are services needed to improve the participant’s prospects for employment and job retention. The need for support services is determined during assessment (and reassessment) as well as during the creation and modification of the Family Development Plan. The wide range of support services that Reach Up provides includes payment for child care and transportation. Transportation remains Reach Up’s single major barrier to employment. Over the past year Reach Up has distributed 70 cars for participants and provided 26,000 rides to work through the Reach Up and the Good News Garage Ready to Go transportation service.

Ages of Children in Reach Up Families



The above chart illustrates the ages of a monthly average of 10,519 children who received assistance from October 2012 through September 2013. Approximately 26% percent are under age three, 22% percent are between the ages of three and six and 52% percent are over six. The deferment chart below illustrates that an average of 361 participants per month received a deferment from the work requirement to care for a child under the age of two.

Reach Up Families with Deferments



A deferment is a temporary postponement of the full work requirement. A deferred participant must have a family development plan with an employment goal and participate in activities, including work activities that lead to the achievement of the employment goal. Consistent with the department's strength-based approach to case management, case managers modify the number of work requirement hours, rather than defer the work requirement, for participants who are able to work part time. Figures in the chart above represent the deferment status of the adult with a work requirement.

Section 2 Participant Outcomes, Including:

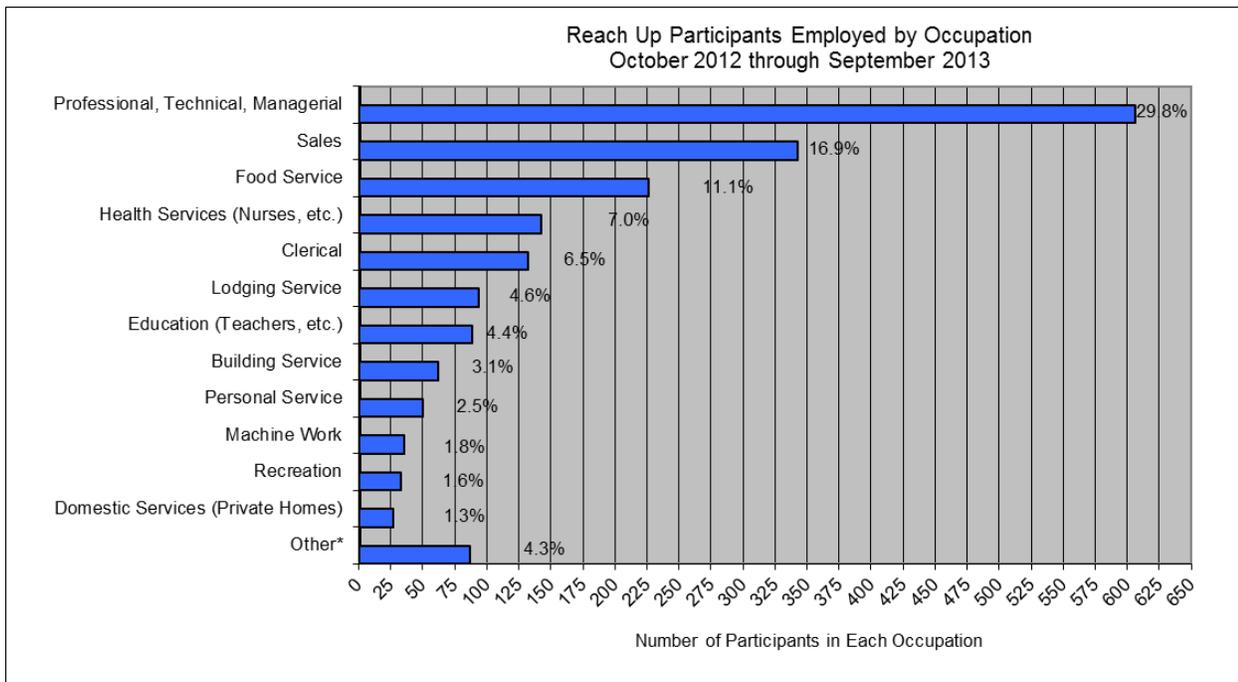
**Number of persons employed by occupation, industry and wage;
Types of subsidized and unsubsidized jobs secured by participants;
Outcomes for children; and
Number of participating families involved in training programs.**

Charts in this section illustrate monthly averages of Reach Up participants' work by occupations, industries, and wages based on data from October 2012 through September 2013. It does not include the Postsecondary Education program. One chart illustrates the number of families that moved off assistance and achieved better outcomes for their children under the Reach Up program. Information supporting good outcomes for children is also represented in Section 1 by the low number of barriers related to child well-being and the high number of parents requesting deferments to take care of children.

Some working participants do not earn enough to be ineligible for Reach Up, and some of these participants may be combining education with work to guarantee a better job when they leave Reach Up.

Families Combine Welfare with Work

The chart below illustrates occupations of an average of 1,927 participants who combined welfare with work each month.



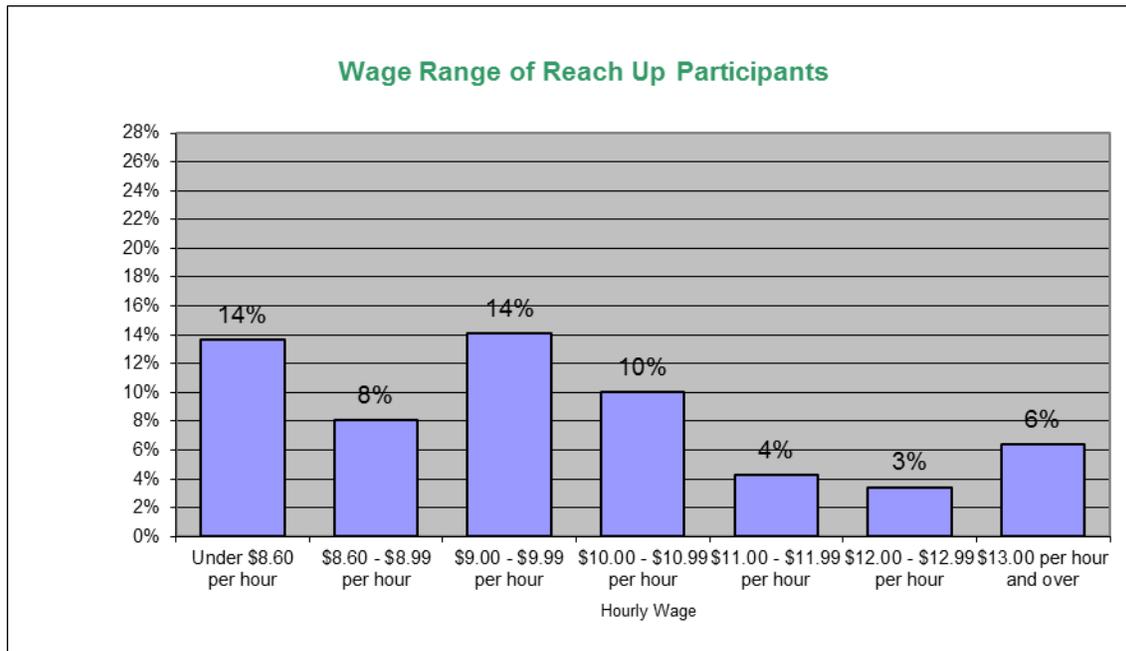
Reach Up Participants Employed By Occupation October 2012 through September 2013		
Occupation	Average Number of Participants	Percentage in Each Occupation
Other*	87	4.3%
Domestic Services (Private Homes)	27	1.3%
Recreation	33	1.6%
Machine Work	36	1.8%
Personal Service	50	2.5%
Building Service	62	3.1%
Education (Teachers, etc.)	88	4.4%
Lodging Service	94	4.6%
Clerical	132	6.5%
Health Services (Nurses, etc.)	143	7.0%
Food Service	226	11.1%
Sales	343	16.9%
Professional, Technical, Managerial	606	29.8%
Total Participants Employed	1927	

* Each of the occupations consolidated in the "Other" category employed less than 1% of the participants.

Reach Up Participants Employed By Industry October 2012 through September 2013		
Industry	Percentage in Each Industry	Average Number of Participants
Services	45.7%	929
Transportation & Public Utilities	13.6%	276
Retail Trade	9.7%	196
Manufacturing	3.0%	61
Government	1.3%	26
Construction	1.0%	21
Agric/Forestry/Fishing/Mining	0.8%	16
Wholesale Trade	0.6%	12
Finance/Insurance/Real Estate	0.2%	5
Other	24%	489
Total Participants Employed		2031⁶

*The "Other" category in the charts above and on the previous page includes participants whose jobs do not fit into a specified category, those who are in supported work placements and not earning a wage, and those in occupations not otherwise listed that employ less than 1 percent of the participants.

⁶ This chart includes "unknown" industries in the "other" category, while the previous one does not. Therefore, the totals on this chart are higher than in the first.



The above chart illustrates the percentage of employed Reach Up participants in each wage range. It does not include newly employed and self-employed adults whose earnings have yet to be verified or adults in supported work placements who are not earning wages. Participants starting self-employment may also have net income equivalent to less than \$8.60 per hour, Vermont’s minimum wage in 2013.

Reach Up Participants By Wage Range October 2012 through September 2013		
Wage	Percentage in Wage Range	Average Number of Participants
Under \$8.60 per hour	14%	277
\$8.60 - \$8.99 per hour	8%	164
\$9.00 - \$9.99 per hour	14%	286
\$10.00 - \$10.99 per hour	10%	204
\$11.00 - \$11.99 per hour	4%	87
\$12.00 - \$12.99 per hour	3%	70
\$13.00 per hour and over	6%	129
Unknown	40%	812
Total Participants Employed		2027

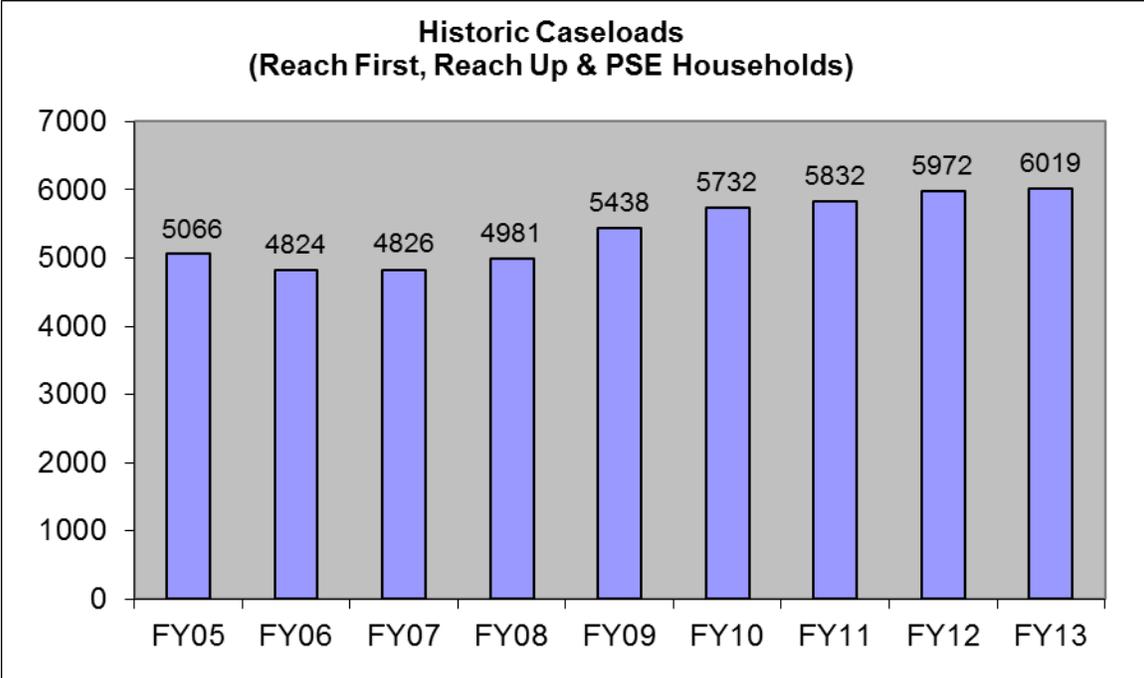
Adults Participate in Training and Education Programs

Participants who are not job ready are supported in short-term work, training, and education placements. Participants who need work experience may be placed in supported placements where they do not earn wages; these participants are included in the “unknown” categories in the occupation, industry, and wage tables above. An average of 95 participants engaged in vocational

education, job skills training, work experience, on-the-job training and school attendance each month from October 2012 through September 2013.⁷

Historic Caseloads

When Vermont’s TANF Reauthorization waiver expired on July 1, 2001, and we were required to meet TANF Reauthorization regulations, there were 5,500 families on assistance. Data in the following chart represents the average monthly number of families for each state fiscal year. Increases in the caseload since state fiscal year 2007 reflect the current national economic recession. This trend of increasing caseloads in welfare programs is affecting many states.



⁷ Data for training and education programs were derived from TANF reports and do not include participants in solely state-funded programs.

Section 3

3SquaresVT Participation of Households Who Have Left Reach Up During the Last Fiscal Year

This chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2013. An average of 3,621 individuals left Reach Up each quarter, and an average of 2,755 (76 %) were still off Reach Up four months later. When they left Reach Up, 93% of these families were receiving 3SquaresVT benefits; four months later 66% still received 3SquaresVT.

Reach Up Leavers' Participation in 3SquaresVT—Federal Fiscal Year 2013

	Quarter Ending Sep '12	Quarter Ending Dec '12	Quarter Ending Mar '13	Quarter Ending Jun '13
1. Total number of individuals who left Reach Up	3,579	3,614	3,540	3,751
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2,818 79%	2,772 77%	2,640 75%	2,791 74%
3. Those in #2 who were enrolled in 3SquaresVT at the time of leaving RU	2,625 93%	2,577 93%	2,469 94%	2,553 91%
4. Those in #3 who were also enrolled in 3SquaresVT in the 4th month after leaving RU	1,843 70%	1,878 73%	1,769 72%	1,813 71%

Section 4

Health Care Program Enrollment of Individuals Who Have Left Reach Up During the Last Fiscal Year

Vermont is a leader in providing health care assistance to children and families. While a family of three loses eligibility for Reach Up when their income reaches approximately \$13,200 a year, the adults will be eligible for transitional Medicaid until their annual income reaches \$34,328 and their children remain eligible for Dr. Dinosaur until the family's income tops \$57,276 (or higher, if the family pays for child care), for a period of up to 36 months.⁸

Reach Up Leavers' Participation in Medicaid and Dr. Dinosaur—Federal Fiscal Year 2013

	Quarter Ending Sep '12	Quarter Ending Dec '12	Quarter Ending Mar '13	Quarter Ending Jun '13
1. Total number of individuals who left Reach Up	3579	3614	3540	3751
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2818 79%	2772 77%	2640 75%	2791 74%
3. Those in #2 who were enrolled in medical assistance at the time of leaving RU	2741 97%	2664 96%	2572 97%	2681 96%
4. Those in #3 who were also enrolled in medical assistance in the 4th month after leaving RU	2092 76%	2183 82%	2074 81%	2105 79%

⁸ Effective January 1, 2014, Vermont adopted regulations amending the state's health care eligibility criteria including the eligibility criteria for Transitional Medicaid. This paragraph explains the eligibility criteria for Transitional Medicaid prior to the implementation of these regulations.

Section 5

Work Participation Rates and the Caseload Reduction Credit

States must submit data on all TANF recipients quarterly to the U.S. Department of Health and Human Services Administration for Children and Families (ACF). ACF computes each state's monthly work participation rate for two categories—all families and families with two parents who are both able to work—and averages the rates for all 12 months to calculate a state's overall work participation rate for the federal fiscal year. States are required to meet a 50 percent all-family rate and a 90 percent two-parent family rate.

Section 407(b)(3) of the Social Security Act, as amended by the Deficit Reduction Act of 2005 (DRA), provides for an adjustment to a state's work participation rate for a fiscal year based on declines in the state's caseload the prior federal fiscal year. The state must meet this adjustment to the work participation rate called the state's caseload reduction credit (CRC). The CRC gives a state credit based on the actual reduction in the caseload between the statutory base year and the comparison year. The DRA changed the base year of the calculation from 1995 to 2005.

The chart below illustrates Vermont's estimated participation rates as calculated but not yet finalized by ACF.

TANF Work Participation Rates - Federal Fiscal Year 2013

Calculated by ACF

	All Families	2-Parent Families
1 st quarter	42.7%	52.8%
2 nd quarter	34.8%	40.1%
3 rd quarter	40.6%	49.9%
4 th quarter	40.5%	55.2%
Average	39.6%	49.5%

Caseload Reduction Credit (CRC)

	All Families	2-Parent Families
Rate submitted to ACF ⁹	0.3%	0.0%

Applying the Administration for Children & Families CRC method to the participation rates results in a 39.6 percent all-families rate and a 49.5 percent rate for two-parent families.

⁹ The caseload reduction rates are the rates submitted to ACF in December 2012 using ACF's methodology. Vermont is waiting for confirmation of the caseload reduction rates.

Section 6

Basic Needs, Housing Allowances, and Maximum Grants

Basic Needs and Housing Allowances

The department calculates a basic needs standard that includes certain requirements considered basic to all individuals. These needs include food, shelter, clothing, fuel, utilities, personal incidentals, core services, and special needs. This standard of combined basic needs increases according to household size, from \$475 for a household of one to \$1,769 for a household of eight. Each year the department reports the current basic needs standards and the basic needs budget adjusted to reflect an annual cost-of-living increase. The department makes the annual cost-of-living increase calculation by running the basic needs standards and housing allowances through a computer program that recalculates them based on changes in the consumer price index (CPI) and housing costs reported by families participating in the Reach Up program living inside and outside Chittenden County. The revised needs standards and housing allowances are run through a simulation of the Reach Up population to estimate the fiscal impact of making cost of living adjustments. The simulation is run against the amount budgeted for Reach Up to determine the percentage of total needs the department can pay with existing funds. Consistent with 33 V.S.A. §101(4), the department currently pays 49.6 percent of total needs determined in 2004.

The charts below illustrate the current basic needs for families of one to four members, basic needs if adjusted in December 2013 or the cost-of-living increase, current housing costs, and housing costs if adjusted.

Basic Needs and Housing Allowance

Family Size	Existing Basic Needs (based on calculation in 3/1/04)	Basic needs if adjusted to annual cost-of-living increase (12/1/13)
1	\$475	\$582
2	\$680	\$834
3	\$891	\$1,095
4	\$1,064	\$1,309
5	\$1,247	\$1,534
6	\$1,372	\$1,688
7	\$1,589	\$1,951
8	\$1,769	\$2,176
Each additional person	\$170	\$209

Housing Allowances	Existing Housing Allowance (based on 10/1/01)	Housing allowance if adjusted to annual median cost (12/1/13)
Chittenden County	\$450	\$650
Outside Chittenden County	\$400	\$576

Current Maximum Grants

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

Family Size	Outside Chittenden County	Chittenden County
1	\$434	\$458
2	\$535	\$560
3	\$640	\$665
4	\$726	\$750