
**Report to
The Vermont Legislature**

**Evaluation of the Reach Up, Reach First
and Reach Ahead Programs**

In Accordance with 33 V.S.A. §1134(a)

**Submitted to: Governor
General Assembly**

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

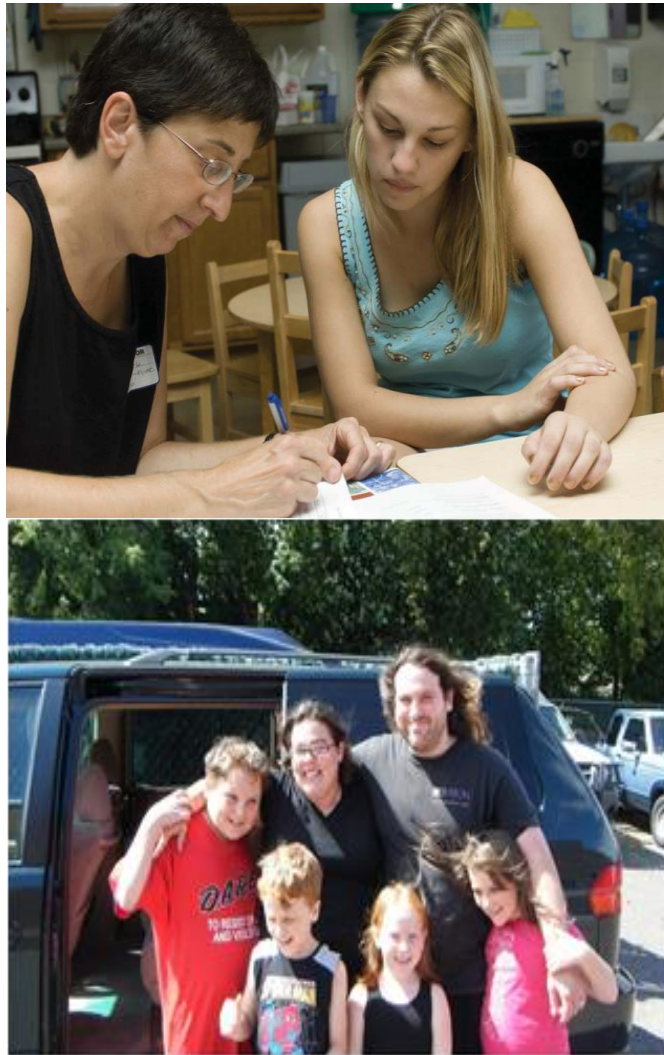
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Executive Summary

This report is submitted pursuant to 33 V.S.A § 1134 (a), which requires the Department for Children and Families (DCF) report to the Governor and the General Assembly on the past year's progress implementing the Reach First, Reach Up and Reach Ahead programs and achieving the goals in sections 1002, 1102 and 1202 annually by January 31st. Most data in this report, unless stated otherwise, are for the period October 1, 2013 through September 30, 2014 (federal fiscal year 2014). Data reported in Sections 3 and 4 (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. According to data in that report and its 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.

Reach Ahead

In May 2014, the General Assembly enacted changes to the Reach Ahead program. These changes extend the program from 12 to 24 months and alter the benefit level from \$100 in the first 6 months and \$50 in the second 6 months to \$50 for the first 12 months and \$5 for the second 12 months. The extension of Reach Ahead benefits for an additional 12 months allows a participant to receive a total of 24 months of support services, including 100% child care subsidy. The legislation directs the Department to pay for these changes through caseload reduction savings in the Reach Up program. These changes take effect on July 1, 2015.

Reach Up and the 180 Day Temporary Absence Rule

On February 1, 2013, the Reach Up program implemented a policy allowing 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 an eligible parent or child were absent from the home for more than 30 days. The Temporary Absence rule allows benefits to remain open under certain circumstances for up to 180 days: if a parent must be out of the home to address substance abuse, 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. In both types of absences the extended Reach Up benefits allows families to maintain stable housing; and provides the means to support themselves while they address issues necessary to return home.

Between July 1, 2013 and June 30, 2014, Reach Up approved 79 Temporary Absence cases. A total of eighteen children (23%) have been reunified with their families during this one year period.

The rule's intent is to improve family stability to increase the family's chances of successful reunification in situations covered by the rule. Reach Up program staff collaborated closely with Family Services to address the needs of these families. Given the positive impact mental health and substance abuse treatment has on families' well-being and the likelihood of attaining self-sufficiency, allowing parents to address these issues while maintaining eligibility for assistance is crucial.

Creative Workforce Solutions

Reach Up continues its partnership with Creative Workforce Solutions (CWS). The Agency of Human Services (AHS) consolidated and coordinated employment services for AHS consumers. CWS provides equal access to meaningful work in the competitive job market for all AHS program participants, including Reach Up participants. They offer employers a single point of contact in each district of the state for coordinated job development and placement services.

Reach Up Time Limits Implementation

In May 2014, Reach Up implemented legislation requiring Reach Up benefits be discontinued for participants who have received financial assistance for 60 or more countable, cumulative months if

they are not fully participating with program requirements. From May through November 2014 there were 575 cases closed due to time limits; 278 of those cases re-entered the Reach Up caseload after a two month break in benefits¹. A full report addressing the families leaving Reach Up due to time limits will be available to the Legislature in February 2015.

Independent Medical Review Team

In October 2014, Reach Up implemented a medical review process to independently review requests for medical deferments from work activities, if the physician determined that the medical condition would last longer than 60 days.² The Department contracted with two physicians to review the requests and make a decision to uphold the original treatment provider's recommendation, modify it, or deny the request for deferment. As of December 12, 2014, there have been 59 medical deferment requests reviewed. The majority of these reviews resulted in a modified work requirement for a shorter period of time than requested; 15 decisions were approved for a full deferment for six months. The majority of full deferment cases were for Reach Up participants receiving inpatient substance abuse treatment through the Lund treatment program.

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.

In 2014, eight additional AHS district offices began the contract for this initiative. All 12 AHS districts now have access to a Reach Up Case Manager with substance abuse and mental health (SA/MH) expertise, contracted through the local mental health designated agency. All 12 AHS districts also have access to additional clinical services for Reach Up participants struggling with these issues. The clinicians provide consultation to the Reach Up team in each district, supervision of the SA/MH case managers, and direct treatment for Reach Up participants. These professionals and their designated agencies provide case management; emergency services; individual, family, and group therapy; intensive outpatient treatment; medication management; and residential substance abuse treatment to Reach Up participants.

This program also offers an opportunity for three AHS service systems to collaborate in providing integrated mental health and substance abuse treatment for people on public assistance. Research shows that approximately one out of every five Temporary Assistance for Needy Families (TANF) recipients in the US abuses drugs or alcohol³. In addition, approximately one-third of TANF recipients have a mental health condition that may interfere with employment⁴. Also nationwide,

¹ 33 V.S.A. 1108(d) allows families who have received over 60 months of assistance to receive assistance under certain circumstances. The rules implementing this legislation impose a two-month break in benefits for families whose assistance closed for non-compliance with the program requirements. These families may be found eligible after the two-month period has expired, provided that they meet all other eligibility criteria. Reach Up rules § 2238 *et seq.*

² The medical review process was implemented pursuant to 33 V.S.A. 1114(b)(5) and (d).

³ Center on addiction and substance abuse, 2000

⁴ Mathematica policy research, 2000

approximately 50 percent of people with a substance abuse condition have a co-occurring mental health condition.⁵

Reach Up and the Family Services Division (FSD) recently met to streamline services for Reach Up participants who are also receiving services through FSD. Family Services recently contracted substance abuse screeners to assist with the identification and engagement of clients with substance abuse issues that may increase the risk factors for child abuse and neglect. Six FSD districts are currently working to provide substance abuse screeners. If the subject of the FSD screening is also a Reach Up participant, the FSD screeners and Reach Up SA/MH case managers will coordinate the smooth transfer of the case to the appropriate service provider for ongoing case management services.

Reach Up and Domestic Violence Training

In 2013 Reach Up participated in the AHS Agency Improvement Model (AIM) program and focused on increasing the awareness and identification of domestic violence (DV). Additional training was provided to all Reach Up staff on the recognition of DV. Also, at least one Reach Up case manager in each district assumed the role of a DV liaison and participated in additional training. In October 2014, eight of these staff members began participating in the Vermont Victim Assistance Academy through the Vermont Center for Crime Victim Services. The remaining five staff will enroll next year in the academy program.

Reach Up Strengths-Based Training

In 2014 Reach Up staff participated in Strengths-Based Training designed to enhance skills in engaging participants and motivational interviewing. These skills allow case managers to better assist Reach Up participants in addressing barriers to self-sufficiency. The curriculum reinforces our values, our work and our relationships with the Reach Up families we serve and with each other. It is based on the belief that each person, no matter where they are in life, can draw on their own experiences to find strength. By finding strengths we create the foundation for a stronger, deeper, more lasting relationship based on mutual respect.

Postsecondary Education (PSE)

Reach Up continues its PSE program, encouraging qualified participants to either enroll in post-secondary degree programs or complete their education. Case management of PSE participants remains with local Reach Up case managers; students continue to have more direct and in-person contact with their local district case manager. In May 2014, pursuant to 33 V.S.A, 1122(i), additional language was added to the Reach Up orientation informing participants about the program.

Reach Up and Family 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

⁵ Substance abuse and mental health services administration 2004

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; Reach Up families comprise 75 percent of the subsidy program. Reach Up provides a housing case manager in three districts focused on the homeless and marginally housed.

Reach Up Partnership with Head Start

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

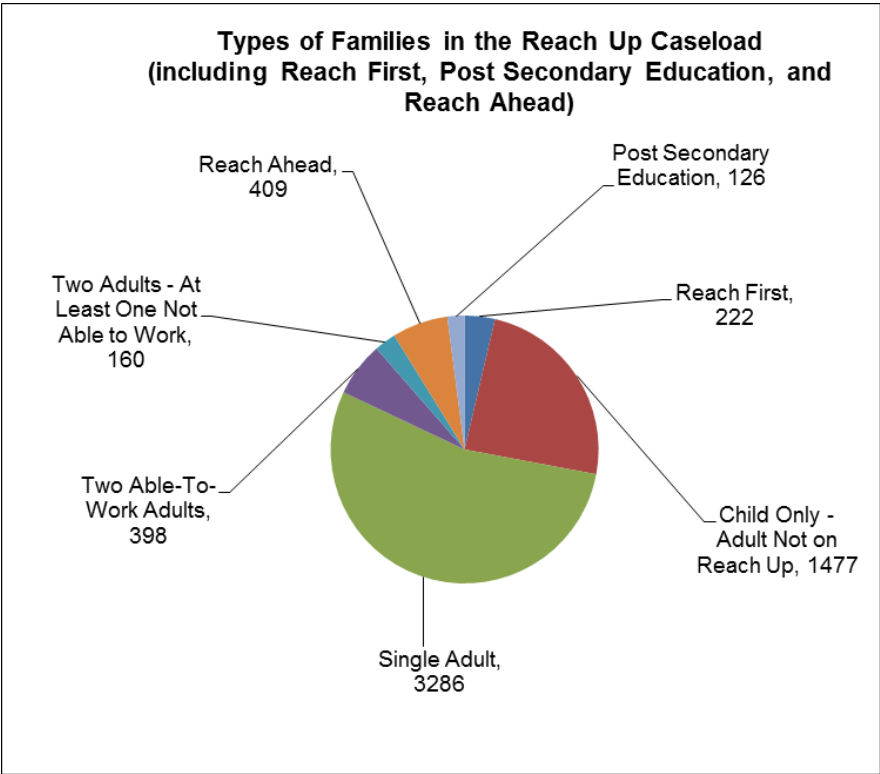
Reach Up Transportation

Reach Up continues in its partnership with Good News Garage, providing 62 cars and 26,783 rides to working families statewide through its “Ready to Go” Transportation Program.

Section 1

Barriers Facing Reach Up Families

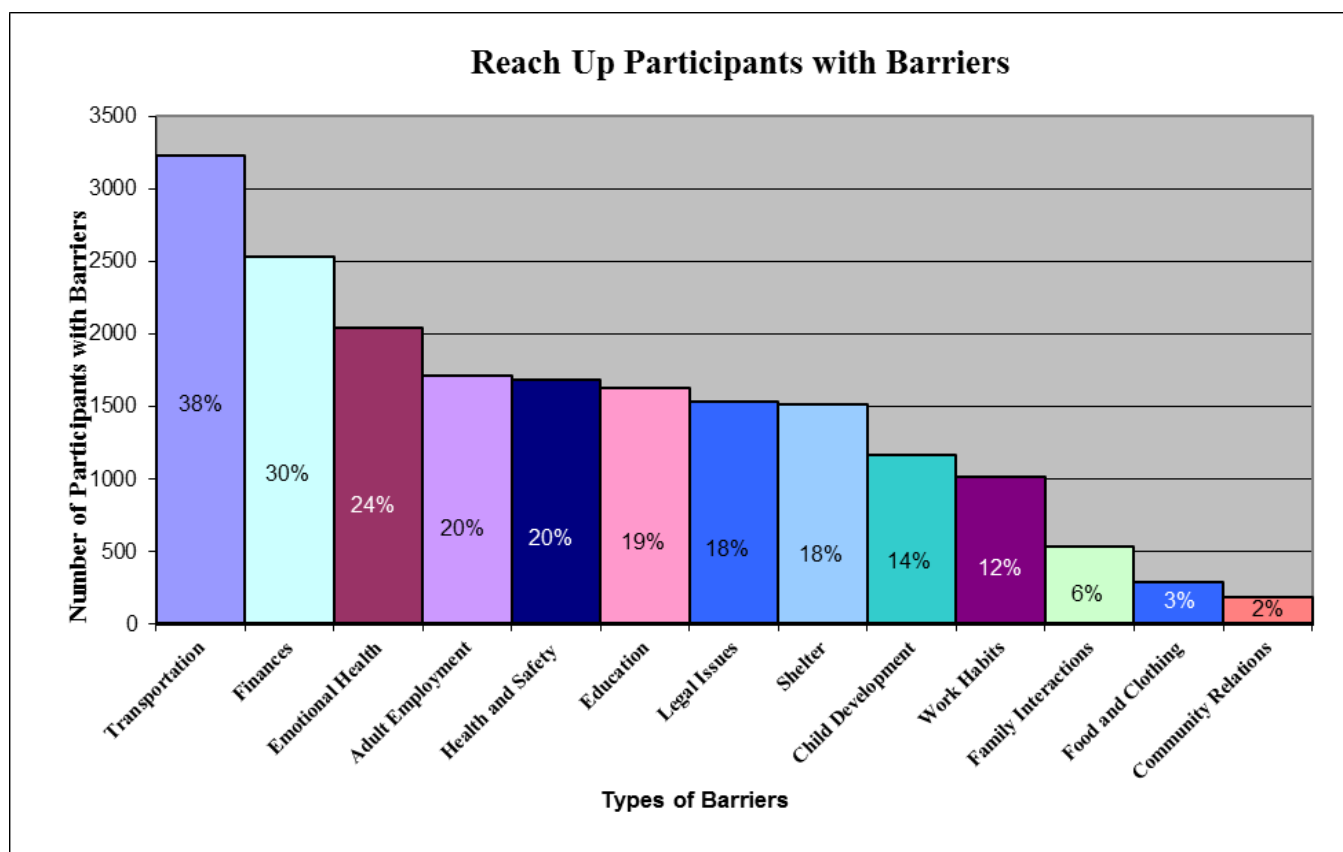
Charts in this section illustrate the types of families and number of adults participating in the Reach Up program; the number of participants with barriers; ages of children in Reach Up families; and the number of participants with deferments from the work requirement. The figures are average monthly numbers for the period October 2013 through September 2014.



Average Number of Adults Participating in Reach Up Program

(does not include Postsecondary Education Program, Reach First and Reach Ahead participants)

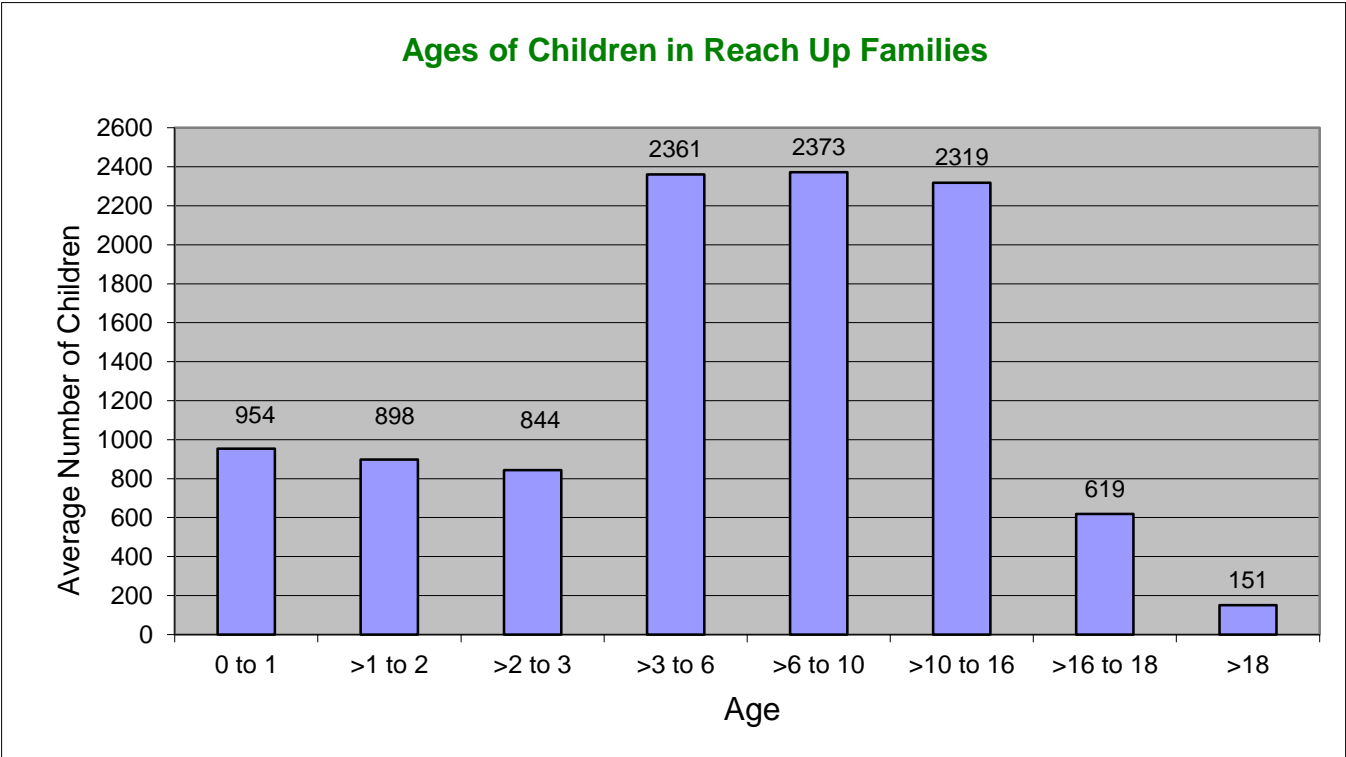
Family Type	Average Number of Adults Participating in Reach Up Each Month
Child Only (child's parent or caretaker is not on Reach Up)	1477
Single Adult	3286
Two Able-To-Work Adults	398
Two Adults, At Least One Not Able to Work	160
Total Adults	3844



The above chart illustrates the percentage of Reach Up participants assessed as having the specified barriers. During the period October 2013 through September 2014, case managers assessed 8,455 participants and found 19,085 barriers, an average of 2.3 barriers per participant.

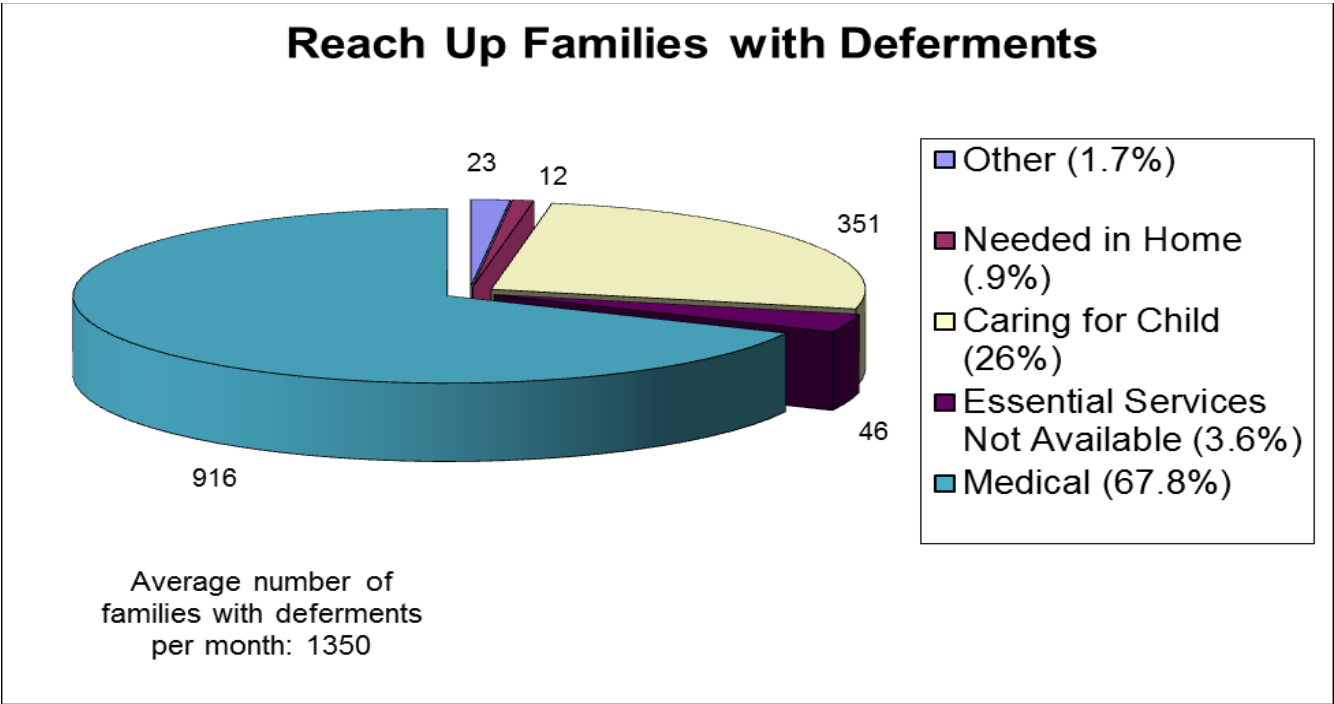
Reach Up provides incentives and support services designed to help families overcome barriers to self-sufficiency. Support services improve the participant's prospects for employment and job retention. The need for support services is determined during assessment (and reassessment) as well as during 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 to

participants and provided 26,000 rides to work through the Reach Up and the Good News Garage “Ready to Go” transportation service.



The above chart illustrates the ages of a monthly average of 9,816 children who received assistance from October 2013 through September 2014. Approximately 25 percent are under age three, 22 percent are between the ages of three and six, and 53 percent are over the age of six.

The deferment chart below illustrates that an average of 351 participants per month received a deferment from the work requirement to care for a child under the age of two.



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 that lead to the achievement of that 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.

This information supports good outcomes for children represented by the low number of barriers related to child well-being and the high number of parents requesting deferments to take care of children.

Section 2

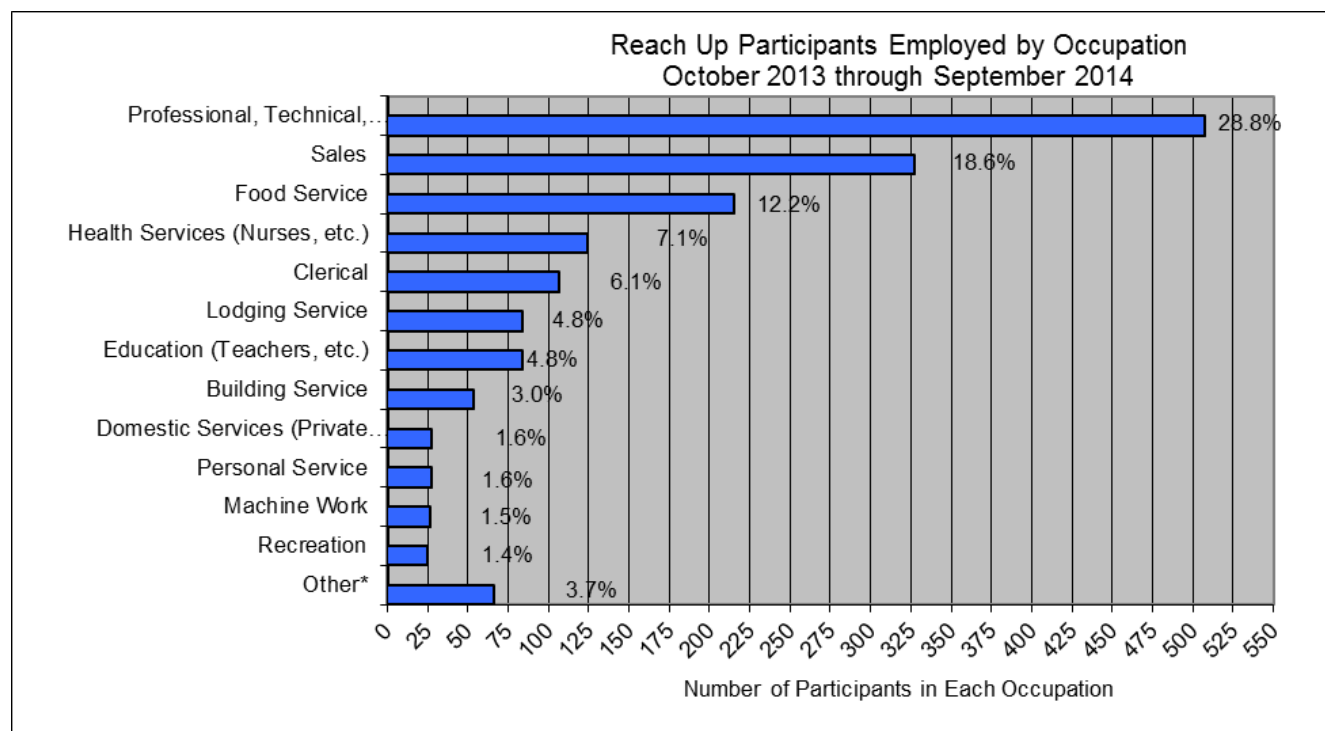
Participant Outcomes

Charts in this section illustrate monthly averages of Reach Up participants' work by occupations, industries, and wages based on data from October 2013 through September 2014. They do 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.

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 1,675 participants who combined welfare with work each month.

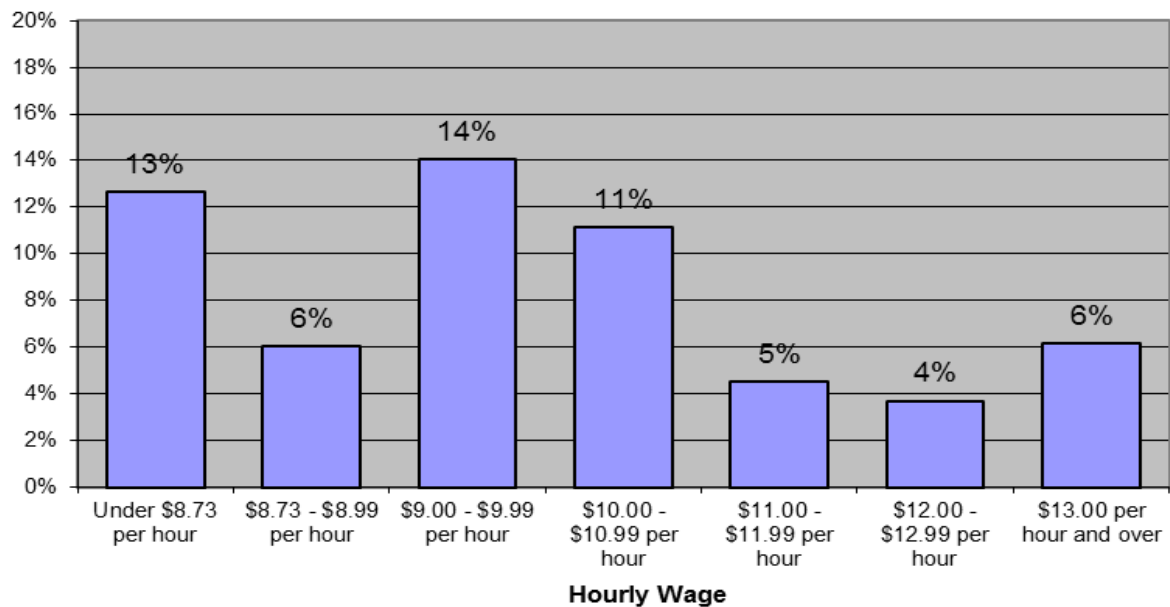


Reach Up Participants Employed By Occupation October 2013 through September 2014		
Occupation	Average Number of Participants	Percentage in Each Occupation
Other*	66	3.7%
Recreation	25	1.4%
Machine Work	27	1.5%
Personal Service	27	1.6%
Domestic Services (Private Homes)	28	1.6%
Building Service	54	3.0%
Education (Teachers, etc.)	84	4.8%
Lodging Service	84	4.8%
Clerical	107	6.1%
Health Services (Nurses, etc.)	125	7.1%
Food Service	215	12.2%
Sales	327	18.6%
Professional, Technical, Managerial	507	28.8%
Total Participants Employed	1675	
* Each of the occupations consolidated in the "Other" category employed less than 1% of the participants.		

Reach Up Participants Employed By Industry October 2013 through September 2014		
Industry	Percentage in Each Industry	Average Number of Participants
Services	46.7%	821
Transportation & Public Utilities	13.0%	229
Retail Trade	11.0%	194
Manufacturing	3.0%	53
Construction	1.1%	19
Government	1.0%	17
Agric/Forestry/Fishing/Mining	0.7%	13
Wholesale Trade	0.5%	8
Finance/Insurance/Real Estate	0.2%	4
Other	23%	402
Total Participants Employed		1760

* 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 one percent of participants.

Wage Range of Reach Up Participants



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 a net income equivalent less than \$8.73 per hour, Vermont's minimum wage in 2014.

Reach Up Participants By Wage Range October 2013 through September 2014

Wage	Percentage in Wage Range	Average Number of Participants
Under \$8.73 per hour	13%	222
\$8.73 - \$8.99 per hour	6%	106
\$9.00 - \$9.99 per hour	14%	247
\$10.00 - \$10.99 per hour	11%	196
\$11.00 - \$11.99 per hour	5%	80
\$12.00 - \$12.99 per hour	4%	65
\$13.00 per hour and over	6%	108
Unknown	42%	732
Total Participants Employed		1757

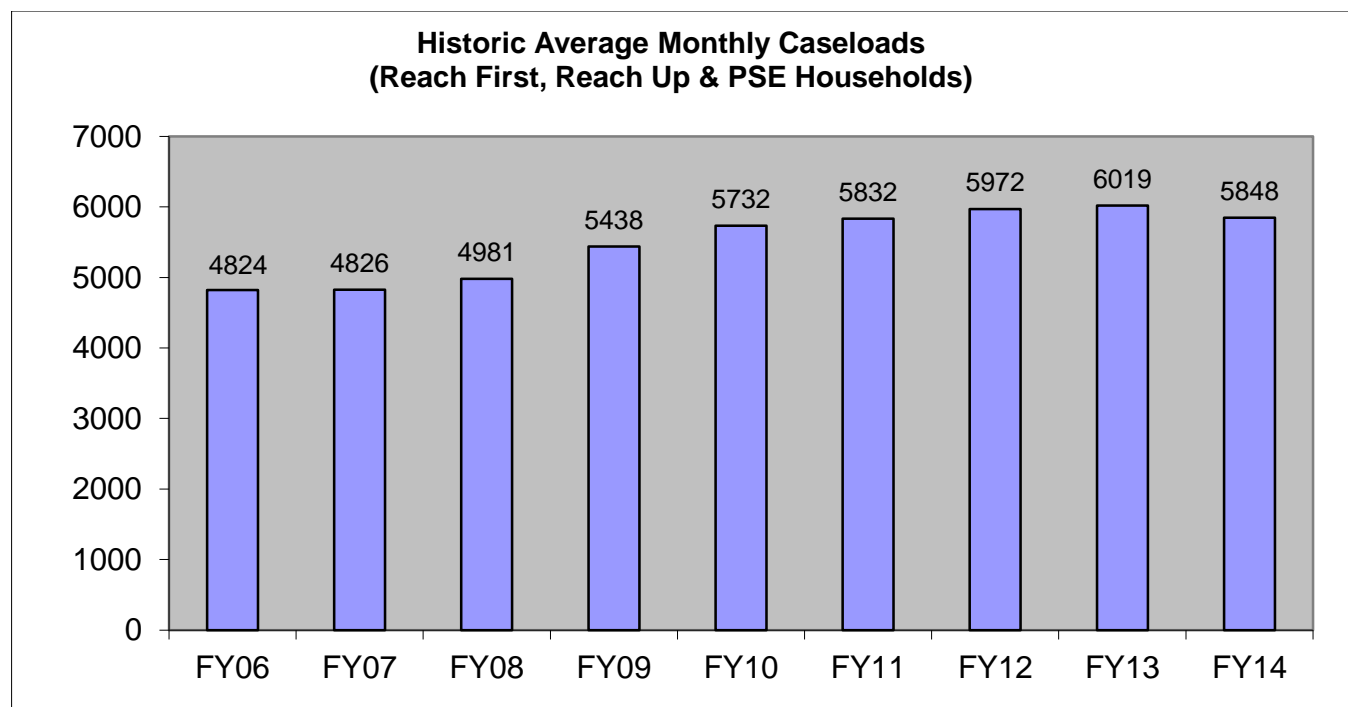
Adults Participate in Training and Education Programs

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 71 participants engaged in vocational education, job skills training,

work experience, on-the-job training and school attendance each month from October 2013 through September 2014.⁶

Historic Caseloads

When Vermont's TANF Reauthorization waiver expired on July 1, 2001, the state was required to comply with TANF reauthorization regulations. At this time there were 5,500 families on assistance. Data in the following chart represents the average monthly number of families participating in Reach Up programs 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.



Section 3

3SquaresVT Participation for Those Leaving Reach Up

The following chart illustrates 3SquaresVT participation for individuals who left Reach Up in state fiscal year 2014. An average of 3,765 individuals left Reach Up each quarter; an average of 3,010 (80 percent) were still off Reach Up four months later. When they left Reach Up, 91 percent of these families were receiving 3SquaresVT benefits; four months later 71 percent still received 3SquaresVT.

⁶ Data for training and education programs were derived from TANF reports and do not include participants in solely state-funded programs.

**Reach Up Leavers' Participation in Food Stamps
Fiscal Year 2014**

	Quarter Ending Sep '13	Quarter Ending Dec '13	Quarter Ending Mar '14	Quarter Ending Jun '14	Average
1. Total number of individuals who left Reach Up	3,826	3,680	3,401	4,151	3,765
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2,999 78%	2,914 79%	2,786 82%	3,339 80%	3,010 80%
3. Those in #2 who were enrolled in food stamps at the time of leaving RU	2,779 93%	2,624 90%	2,528 91%	3,022 91%	2,738 91%
4. Those in #3 who were also enrolled in food stamps in the 4th month after leaving RU	1,967 71%	1,778 68%	1,819 72%	2,184 72%	1,937 71%

Section 4

Health Care Program Enrollment for Those Leaving Reach Up

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 family will be eligible for Transitional Medical Assistance (TMA), regardless of the family's increased earnings. TMA extends a family's Medicaid eligibility for up to 12 months. These families may be eligible for two, six-month extensions of TMA; an additional 12 months of Medicaid eligibility.⁷

Reach Up Leavers' Participation in Transitional Medical Assistance-- Fiscal Year 2014

	Quarter Ending Sep '13	Quarter Ending Dec '13	Quarter Ending Mar '14	Quarter Ending Jun '14	Average
1. Total number of individuals who left Reach Up	3826	3680	3401	4151	3764.5
2. Those in #1 who were not receiving RU in the 4th month after leaving RU	2999 78%	2914 79%	2786 82%	3339 80%	3009.5 80%
3. Those in #2 who were enrolled in medical assistance at the time of leaving RU	2891 96%	2809 96%	2640 95%	2510 75%	2712.5 91%
4. Those in #3 who were also enrolled in medical assistance in the 4th month after leaving RU	2253 78%	2193 78%	1896 72%	1808 72%	2038 75%

Section 5

Work Participation Rates and the Caseload Reduction Credit

States must submit data on all TANF recipients to the U.S. Department of Health and Human Services Administration for Children and Families (ACF) quarterly. ACF computes each state's monthly work

⁷ Health Benefits Eligibility and Enrollment rule § 7.03(a)(6)(i).

participation rate for two categories: all families and families with two parents who are both able to work. The rates are averaged for all 12 months calculating a state's overall work participation rate (WPR) 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 (FFY). This adjustment to the work participation rate that the state must meet is 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 2014 Calculated by ACF		
	All Families	2-Parent Families
1 st quarter	42.5	51.8
2 nd quarter	40.5	44.4
3 rd quarter	40.4	44.3
4 th quarter	41.6	46.2
Average	41.2	46.7
Caseload Reduction Credit (CRC)		
	All Families	2-Parent Families
Rate submitted to ACF ⁸	8.2%	0.0

Applying the Administration for Children & Families CRC method to the participation rates results in a 49.4 percent all families rate and a 46.7 percent two-parent families rate.

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 adjusted basic needs budget 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

⁸ The caseload reduction rates are the rates submitted to ACF in December 2013 using ACF's methodology. Vermont is waiting for confirmation of the caseload reduction rates.

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 that 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 2014 for 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 (12/1/14)
1	\$475	\$592
2	\$680	\$848
3	\$891	\$1,113
4	\$1,064	\$1,331
5	\$1,247	\$1,560
6	\$1,372	\$1,716
7	\$1,589	\$1,984
8	\$1,769	\$2,213
Each additional person	\$170	\$213

Housing Allowances	Existing Housing Allowance (based on 10/1/01)	Housing allowance if adjusted to annual median cost (12/1/14)
Chittenden County	\$450	\$675
Outside Chittenden County	\$400	\$567

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

Conclusion

The Reach Up program continues to evolve to provide families with the necessary supports and services addressing the many barriers they face. In 2013 the Reach Up Policy Workgroup (a legislatively convened workgroup tasked with assessing the Reach Up program) produced a report containing many recommendations for the program. While we continue to work toward implementing other recommendations, the top two identified priorities in the report have been addressed:

1. Increase staffing capacity: 6 of the top 10 recommendations concerned increasing staffing capacity. With the introduction of the Substance Abuse/Mental Health case managers and clinicians in all districts the caseload per case manager is approaching a statewide average of 40. This caseload is a significant decline and will allow Reach Up participants to receive targeted services that will help them achieve self-sufficiency and graduate from the program.
2. Financial stability: Changes to the Reach Ahead program will assist in providing families with financial stability upon exiting the program successfully. Additionally, the increased earned income disregard allows families to retain more of their earnings as they work toward self-sufficiency.

In addition to these programmatic changes, other initiatives such as the Domestic Violence and Strength-Based trainings and the Independent Medical Review Team, have improved the delivery of Reach Up services. The Domestic Violence and Strength-Based trainings have given case managers an expanded skill set for having focused discussions with families regarding the next steps in addressing their barriers. The Independent Medical Review Team provides a careful analysis of participants' ability to work and, as a result, many more participants are being referred to appropriate services and engaging in work activities to the greatest extent possible.

Implementation of these initiatives has produced a positive change in the delivery of case management services. Case managers report that they are able to provide more targeted services to families and overall feel that they are providing better case management to these families. The Reach Up program will continue to monitor the effect of the above changes and look for innovative ways to assist Vermont's most vulnerable families achieve self-sufficiency.