

# REACH UP/TANF



The purpose of the Reach Up program is to:

- A. assist families, recognizing individual and unique characteristics, to obtain the opportunities and skills necessary for self-sufficiency;
- B. encourage economic independence by removing barriers and disincentives to work and providing positive incentives to work;
- C. support parental nurturing;**
- D. support parental responsibility and positive parental role models, both custodial and noncustodial;
- E. measure the success of the system by what is best for children;**
- F. improve the well-being of children by providing for their immediate basic needs, including food, housing and clothing;**
- G. respect the dignity of individuals and families receiving assistance by providing employment, education, and other services through social service delivery systems available to all Vermont citizens and by encouraging the private sector to integrate families receiving assistance into the mainstream of the employment market;
- H. recognize the challenges facing many families receiving assistance by minimizing structural financial disincentives to increased earnings and the abrupt termination of assistance before parents are fully integrated into the employment market;
- I. conserve state public financial resources by operating the system of aid in a manner that is efficient and avoids federal fiscal sanctions; and
- J. conform to the federal TANF law.

**Improve the well-being of children by providing for their immediate basic needs, including food, housing and clothing.**



# Reach Up(dates)\*

Act 133 changes - effective January 1!



Including:

- changes to the earned income disregard;
- increase of the child-support pass-through from \$50 to \$100
- the revised definition of eligible child increasing the eligibility cutoff from 19 to 22 if disabled or a high school/tech student expected to graduate before that age
- the Department added to 2253(a)(10) the italicized, excluding from income “Assistance from other sources to meet needs not covered by the Reach Up benefit, for example: Assistance granted for a specific purpose, such as vocational rehabilitation, *poverty reduction, or housing*, including incentive allowances, *stipends, and other forms of financial assistance* paid to an active Reach Up participant

Much to celebrate - this can really make Reach Up an example of how programs can support family well-being.

Currently, Vermont is failing to meet the statutory requirements of the Reach Up program. These stipulations were established to ensure that the program meets the immediate basic needs of children in Vermont. In failing to meet these requirements, we are undermining the stated purposes and the effectiveness of the program.

**The Governor's Recommended FY25 Budget does not provide for immediate basic needs of Vermont's children and families.**

# What makes up a budget?



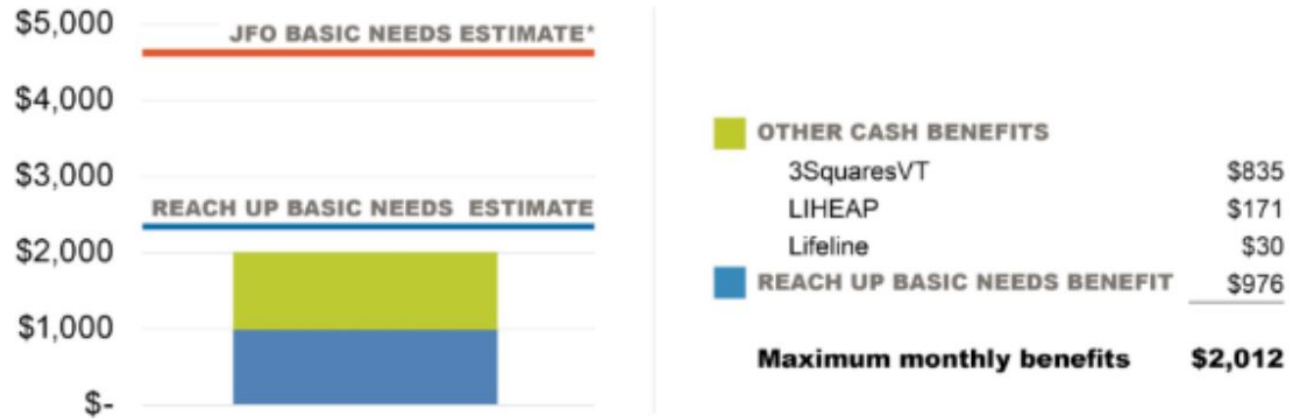
(Basic Needs Technical Advisory Committee)

## Reach Up consistently falls short in three important ways:

- There is **no automatic adjustment for inflation**, and current calculations for non housing essentials remain at 2019 levels.
- The housing stipend is based on what families reported spending on housing more than 20 years ago (2001), rather than on an objective measure like current fair market rent.
- These inadequate benefits are then subjected to an adjustment called the *ratable reduction*, which essentially **cuts the benefit in half**.

## Even counting other benefits, Reach Up falls short

Maximum monthly benefits, Reach Up basic needs and Joint Fiscal Office basic needs estimate, family of four, 2022



\*Excludes health care, child care, rental and life insurance, and savings

Data sources: Department for Children and Families, Joint Fiscal Office, U.S. Department of Agriculture, Department of Public Service, and LIHEAP Clearinghouse  
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**Family 1:** This family of three has no income. Their rent is \$850, and they do not have subsidized housing. They live in Barre.

	<b>Ratable 49.6%<sup>4</sup></b>	<b>Ratable 80%</b>	<b>No Ratable</b>
<b>Basic Needs for Family Size</b>	\$1,236	\$1,236	\$1,236
<b>Shelter Allowance</b>	\$400	\$400	\$400
<b>Special Housing Allowance</b> (If Applicable)	\$90	\$90	\$90
<b>Total Needs for Family Size</b>	<b>\$1,726</b>	<b>\$1,726</b>	<b>\$1,726</b>
<b>Ratable Percentage</b>	49.6%	80%	0
<b>Maximum Grant for Family Size</b>	<b>\$856</b>	<b>\$1,380</b>	<b>\$1,726</b>
<b>Countable Income</b> (See Reach Up <a href="#">Rules</a> )	0	0	0
<b>Reach Up Grant (Per Month)</b>	<b>\$856</b>	<b>\$1,380</b>	<b>\$1,726</b>

## Financial Implications to DCF from Phasing Out the Ratable Reduction

The following table is a simplified projection representing the phase-out of the ratable reduction and the increase appropriation to the Reach Up budget that would be required. This projection is based on the current Reach Up caseload and the current eligibility/maximum grant computation:

### SFY 2023 Caseload Analysis:

- Housing \$400/\$450 2001 (currently used)
- Housing Supplement \$90 (currently used)
- Basic Needs 2019 (currently used)

SFY	Ratable	Annual Cost**	Increase
2024	0.496	\$26,791,808.20	\$ -
2025	0.600	\$32,795,461.62	\$5,577,012.00
2027	0.700	\$38,569,519.12	\$10,940,744.00
2028	0.800	\$44,347,707.15	\$16,308,313.00
2029	0.900	\$50,125,383.84	\$21,675,407.00
2030	1.000	\$55,514,571.06	\$26,681,619.00

- **SFY:** Estimated State Fiscal Year for change.
- **Ratable:** The percentage of benefit payment standard used to determine benefit.
- **Annual Cost:** Estimated annual cost based on SFY 2023's caseload.
- **Increase:** The amount of increase from SFY 2023 caseload's entitlement amount.



# Effect of Material Hardship on Child Welfare Involvement

Experiencing any type of material hardship (*food, housing, utilities or medical*) is **strongly associated with an elevated risk** for CPS involvement

If families experience **at least one** material hardship

- **Likelihood of being investigated for neglect increases nearly 3x**
- **Likelihood of being investigated for physical abuse increases nearly 4x**

If families experience **multiple types** of material hardship

- **Greater likelihood of being involved in a CPS investigation than families who experience a single type of material hardship**

If families experience multiple types of hardship **after** experiencing no hardships

- **Likelihood of being involved in a CPS investigation increases 4x**
- **Likelihood of being investigated for physical abuse increases 7x**

(Yang, 2015)

# Family Protective Factors

CENTER FOR THE STUDY  
OF SOCIAL POLICY'S

strengthening families™  
A PROTECTIVE FACTORS FRAMEWORK

Parental resilience

Social connections

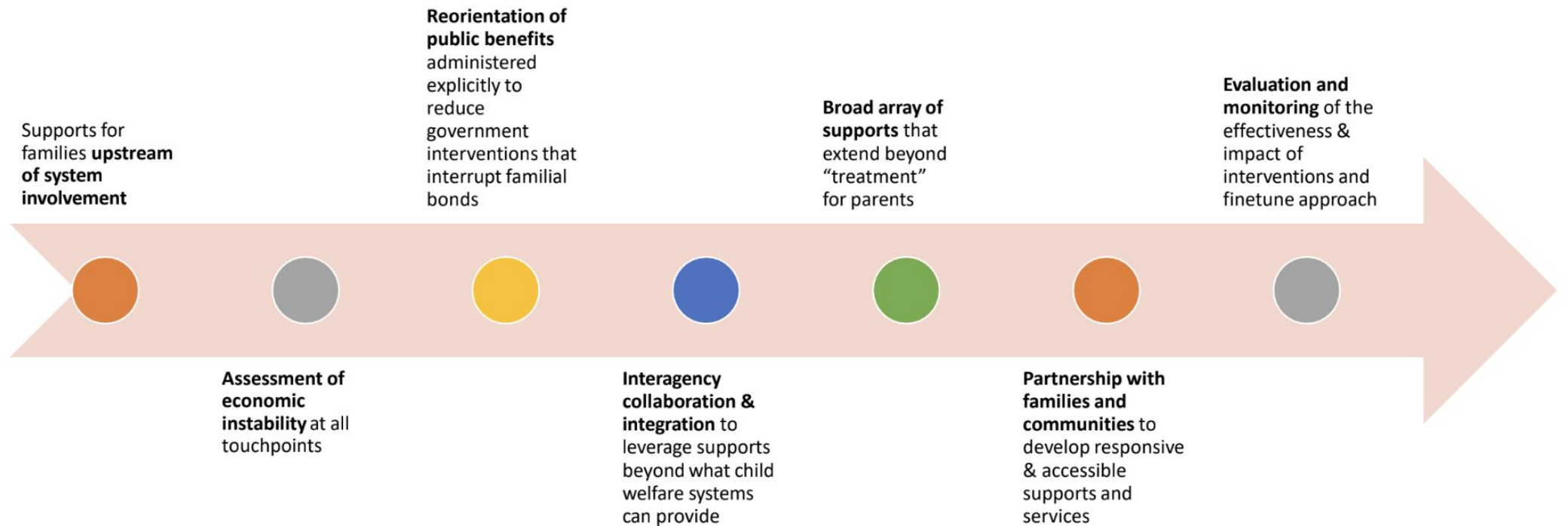
Knowledge of  
parenting and child  
development

Concrete support in  
times of need

Social and  
emotional  
competence of  
children

# Chapin Hall

## Family and Child Well-being System: Use of Economic & Concrete Supports as a Prevention *and* Intervention Strategy



# Some examples of concrete supports that have evidence behind them in reducing child maltreatment.

- Medicaid Expansion & Continuity of Benefits
- Permanent Housing Subsidies
- Paid Family Leave
- Child Care Subsidies
- Supplemental Nutrition Assistance Program
- Minimum Wage
- Earned Income Tax Credit
- Child Support Payments

## Reach Up Coalition

- CVOEO
- Disability Rights Vermont
- Hunger Free Vermont
- King Street Youth Center
- Planned Parenthood - PPNNE
- Prevent Child Abuse VT
- Public Assets Institute
- Root Social Justice Center
- Spectrum Youth and Family Services
- Vermont Children's Alliance
- Vermont Center for Crime Victim Services
- Vermont Commission on Women
- Vermont Early Childhood Advocacy Alliance
- Vermont Legal Aid
- Vermont Food Bank
- Vermont Low Income Advocacy Council
- Vermont Network Against Domestic and Sexual Violence
- Vermont Parent Child Center Network
- Voices for Vermont's Children



## Policy Goals & Opportunities for Advocacy



### **Use the Basic Needs Budget created by the Joint Fiscal Office as the basic needs standard for Reach Up. The Basic Needs Budget:**

- Creates a common framework for basic needs across Vermont, rather than maintaining tiers for different populations.
- Is updated every two years via a collective process with a transparent, evidence-based methodology, with opportunities to weigh in through the Basic Needs Technical Advisory Committee.
- Eliminates the harmful effects of level funding. *Using a cost of housing figure from 2001 is in direct opposition to the goals of the program.*



### **Eliminate the “ratable reduction” as it currently exists. Ensure that the cumulative benefits a family receives assures their ability to meet their children’s minimum basic needs.**

- Leverage fully refundable tax credits, 3SquaresVT, LIHEAP, and Lifeline alongside Reach Up to achieve the goal of getting families to an adequate standard of living. A Reach Up grant, combined with other benefits should get a family to the basic needs level.

# Measure the success of the system by what is best for children.

“TANF funding rules should be structured in a way that harnesses the program’s flexibility to help states invest in the essential programs and services families need to thrive.”

~American Public Human Services Association

