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The Benefits Cliff

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The term "benefits cliff" describes the situation in which recipients of various forms of public assistance lose a significant portion of their benefits as their wages increase, even minimally, resulting in a net loss of income.[1] Vermont has been taking strides to smooth the benefits cliff, so that recipients of social assistance programs —Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, and Unemployment — have the supports necessary to gradually lessen their reliance on public assistance, while increasing their income and wage-earning hours.[2] This report aims to compile research on the benefits cliff by outlining benefits programs in Vermont, as well as legislation passed and policy changes made in other states intended to mitigate the phenomenon.

Federal Poverty Guidelines

Eligibility for many state and federal government assistance programs is calculated using the federal poverty guideline (often referred to as the federal poverty level, or FPL).[3] The 2017 and 2016 levels are shown below in Table 1.

Table 1. Federal Poverty Guidelines, 2017 and 2016

Family/Household size*	2017 Poverty guidelines	2016 Poverty guidelines
1	$12,060	$11,880
2	16,240	16,020
3	20,420	20,160

1 "Addressing the Benefits Cliff: Recommendations for Further Action," *Vermont Agency of Human Services*, accessed March 17, 2017, http://humanservices.vermont.gov/publications/addressing-the-benefits-cliff-recommendations-for-further-action/view.

2 Ibid.

3 "U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility For Certain Federal Programs," *US Department of Health and Human Services*, accessed February 21, 2017, https://aspe.hhs.gov/poverty-guidelines.

4	24,600	24,300
5	28,780	28,440
6	32,960	32,580
7	37,140	36,730
8	41,320	40,890
***For households with more than eight people, add an additional $4,180 per person (2017) or an additional $4,160 per person (2016).**		

Source: "U.S. Federal Poverty Guidelines Used To Determine Financial Eligibility For Certain Federal Programs," US Department of Health and Human Services, accessed February 21, 2017, https://aspe.hhs.gov/poverty-guidelines; Department of Health and Human Services, Notices, "Annual Update of the HHS Poverty Guidelines," Federal Register 81, no. 15 (January 25, 2016): 4036, https://www.gpo.gov/fdsys/pkg/FR-2016-01-25/pdf/2016-01450.pdf.

Vermont Basic Needs Budget

Every two years, the Joint Fiscal Office in Vermont issues a report on the resources needed to live in Vermont, taking into consideration costs such as utilities, housing, health care, transportation, tax burden and childcare. From this, an annual income, and hourly "livable wage" are calculated for seven different family configurations.[4] The livable wage is defined as "the hourly wage required for a full-time worker to pay for one-half of the basic needs budget for a two-person household, with no children, and employer-sponsored health insurance, averaged for both urban and rural areas."[5] The JFO's most recent findings are shown below in Table 2 and 3.

Table 2. 2016 Hourly Livable Wage and Annual Income in Urban Areas

Family Configuration	Annual Income	Hourly Livable wage
Single person	$36,693	$17.64
Single person, shared housing	30,082	14.46
Single parent, one child	61,351	29.50
Single parent, two children	79,374	38.16
Two adults, no children (two wage earners)	56,318	27.08 (13.54 per earner)
Two adults, two children (one wage earner)	67,872	32.63
Two adults, two children (two wage earners)	91,416	43.95 (21.97 per earner)

Source: Vermont Legislative Joint Fiscal Office, *Basic Needs Budget and the Livable Wage*, Montpelier, 2017, http://www.leg.state.vt.us/jfo/reports/2017%20BNB%20Report%20Revision_Feb_1.pdf (accessed February 12, 2017).

[4] Vermont Legislative Joint Fiscal Office, *Basic Needs Budget and the Livable Wage*, Montpelier, 2017, http://www.leg.state.vt.us/jfo/reports/2017%20BNB%20Report%20Revision_Feb_1.pdf (accessed February 12, 2017).
[5] Ibid.

Table 3. 2016 Hourly Livable Wage and Annual Income in Rural Areas

Family Configuration	Annual Income	Hourly Livable Wage
Single person	$32,785	$15.76
Single person, shared housing	27,000	12.98
Single parent, one child	52,225	25.11
Single parent, two children	67,647	32.52
Two adults, no children (two wage earners)	52,057	12.51 per earner
Two adults, two children (one wage earner)	63,791	30.67
Two adults, two children (two wage earners)	84,674	20.35 per earner

Source: Vermont Legislative Joint Fiscal Office, *Basic Needs Budget and the Livable Wage*, Montpelier, 2017, http://www.leg.state.vt.us/jfo/reports/2017%20BNB%20Report%20Revision_Feb_1.pdf (accessed February 12, 2017).

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TANF: Overview in Vermont and Other States' Efforts to Address "Cliff Effect"

Vermont's Reach Up, Reach First, Reach Ahead, and Post-Secondary Education Program

Vermont's state-level TANF program, Reach Up (along with its related programs of Reach First, Reach Ahead, and the Post-Secondary Education Program), aims to help families achieve self-sufficiency, cultivate job skills, seek out work opportunities, and provide cash assistance for basic needs.

Eligibility: A family's eligibility for Reach Up is calculated using their household income, which is adjusted to include several income disregards. Following suit with other states, Vermont raised its income disregard in 2014 to broaden qualifications and ease transitions off of TANF assistance. Act 198 increased the income disregard from the first $200 earned per month to the first $250; after that, the remaining 50 percent of income is disregarded. Other disregards include income tax refunds and credits, insurance payments, and $50 of total child support received.[6] In order to be eligible, the family's weekly adjusted household income must be less than the Basic Needs Standards set in the Reach Up rules, as shown in Table 4.[7] This is different from the Joint Fiscal Office's Basic Needs Budget calculations from the Joint Fiscal Office discussed above.

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6 33 V.S.A. § 1103

7 Vt. Code R. 13 170 220 -2275 to -2276

Table 4. **Basic Needs Standards for Reach Up**

Number in Assistance Group	1	2	3	4	5	6	7	8	9 or more
Weekly Basic Needs Standard	$475	680	891	1,064	1,247	1,372	1,589	1,769	Add $170 for each additional person

Source: Vt. Code R. 13 170 220 -2275 to -2276

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Reach Up Recipients: In state fiscal year (SFY) 2016, there were, on average, 4,260 open Reach Up cases.[8] Between October 2015 and September 2016, 3,082 adults and 7,862 children participated in Reach Up on average each month, see Appendix A and Appendix B.[9] Families with at least one unemployed adult make up the largest proportion of cash assistance recipients in Reach Up.[10]

On average, approximately 631 of the 3,082 adult Reach Up recipients are employed each month.[11] Another 541 Reach Ahead participants are employed, bringing the total number of working participants in all Reach Up programs to 1,172.[12] Between October 2015 and September 2016, employed participants in Reach Up and Reach Ahead most frequently reported that their wage range was under $9.60 per hour and 68.3 percent of employment fell within three industries—the service industry (45.9 percent), the retail trade (13.3 percent), and transportation and public utilities (9.1 percent). See Appendix B for the full distribution of employed Reach Up participants' by wage range and industry.[13] An average of 1,206 families have temporary deferments from work requirements, and an average of 106 participants take part in various job-training and education programs.[14]

Recipients of social assistance programs, such as Reach Up, have identified several barriers to obtaining or maintaining employment, or advancing their employment opportunities. As demonstrated in Appendix C, the 2017 evaluation of Reach Up found that participants identified the following barriers in their own lives, beginning with the most frequently identified, these were: a lack of adult employment history or opportunities, finances, transportation, emotional health, health and safety, education, shelter, child development,

[8] Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017).
[9] Ibid.; see Appendix A.
[10] U.S. Library of Congress, Congressional Research Service, *Temporary Assistance for Needy Families (TANF): Size and Characteristics of the Cash Assistance Caseload* (R43187), by Gene Falk, January 29, 2016, accessed on February 4, 2017, https://fas.org/sgp/crs/misc/R43187.pdf.
[11] Vermont DCF, *Evaluation of Reach Up.*
[12] Ibid.
[13] VT DCF, *Evaluation of Reach Up*; see Appendix B.
[14] VT DCF, *Evaluation of Reach Up.*

legal, work habits, community relations, family interactions, and food and clothing.[15] The evaluation found an average of 2.6 barriers per participants between October 2015 and September 2016.[16]

Other States' Actions to Address the Cliff Effect in TANF

Other states have primarily addressed the cliff effect in TANF by altering the eligibility requirements to allow families to stay on TANF longer while gradually minimizing their assistance and incentivizing continued employment.

Illinois: In 2013, Illinois passed H.B. 2262, eliminating the asset test in determining eligibility for the state's TANF program.[17] Illinois is one of eight states to do so (the others being Hawaii, Alabama, Maryland, Virginia, Colorado, Ohio, and Louisiana).[18]

Maine: In 2015, Maine introduced two bills to address the benefits cliff. Though they died between houses, they are included below due to their relevance.

H.P. 868 aimed to address the benefits cliff through work and education supports and broadening TANF eligibility standards. A "navigator" position would have been established to minimize the cliff effect on families by educating them on how their benefits would be impacted by increased income and incentivizing continued employment.[19] Additionally, the Structured Pathways Program was proposed to provide TANF recipients with access to job and education opportunities, skills building and workforce development programs.

TANF eligibility was proposed to increase in two ways. First, it would have allowed two-parent families to qualify for TANF assistance with the same eligibility standards as single-parent families. Second, it proposed a few changes to earned income disregards, which are outlined below:

- TANF recipients who have been working for two months or less would be entitled to a 100 percent earned income disregard, along with all "childcare costs necessary for work," although childcare disregards may be limited to $175 per child or ($200 for a child under 2 or with special needs) by the department.[20]

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15 VT DCF, *Evaluation of Reach Up*; see Appendix C.
16 VT DCF, *Evaluation of Reach Up*.
17 "An Act Concerning Public Aid," S.B. 2262, 98th Ill. Gen. Assemb. (2013), accessed February 18, 2017, http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=098-0114.
18 Elissa Cohen, Sarah Minton, Megan Thompson, Elizabeth Crowe and Lisa Giannarelli, "Welfare Rules Databook: State TANF Policies as of July 2015," The Urban Institute, 72-73, accessed March 15, 2017, http://wrd.urban.org/wrd/data/databooks/2015%20Welfare%20Rules%20Databook%20(Final%2009%2026%2016).pdf.
19 "An Act To Reform Welfare by Establishing Bridges to Sustainable Employment," H.P. 868, 127th Me. Leg. (2015), accessed March 5, 2017, http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0868&item=1&snum=127.
20 Ibid.

- After three months of work, recipients would have the same guidelines for childcare disregards, but their earned income is disregarded by $250, followed by "fifty percent of the remaining earnings that are less than the federal poverty level."[21]

H.P. 951 would have increased income disregards for employed TANF recipients depending on the amount of consecutive months employed, and included a provision that would have allowed a one-time, 100 percent income disregard under special circumstances.[22] Table 8 shows the scaled income disregards that were proposed:

Table 8. Percent of Income Disregard after One Month, Six Months, and Each Additional Consecutive Month of Employment

Qualification	1st Month	6th Month	More than 6 Months
TANF recipient meeting work requirements	100%	75%	50%

Source: H.P. 951, Sess. of 2015 (Maine 2015), http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0951&item=1&snum=127

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Additionally, $500,000 of TANF funds would have been set aside to "promote financial literacy and healthy saving habits of families with income less than 200% of the federal poverty guidelines through the placement of funds in family development accounts."[23]

Oregon: In 2015, Oregon's legislature authorized the Department of Human Services to reinvest savings resulting from a reduced caseload back in to the TANF program to reduce the benefits cliff in the state.[24] The following changes were implemented over the course of 2016:

1. Oregon increased the exit limit, doubling the income level that would force employed participants from the program. For a three-person household with two children, this would effectively mean that a family could move from working 16 hours a week at $9.25 per hour to 26 hours. In other words, this family could move from making $616 to $1,012 per month while remaining at the upper limit of TANF eligibility.[25]

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21 Ibid.

22 "An Act To Reward Work Performed by Welfare Recipients," H.P. 951, 127th Me. Leg. (2015), accessed March 7, 2017, http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0951&item=1&snum=127.

23 Ibid.

24 Oregon Department of Human Services, *Temporary Assistance for Needy Families (TANF) Reinvestment Overview,* Salem, OR: OR DHS, 2016, http://www.dhs.state.or.us/caf/ss/tanf/docs/overview_%2003.04.16.pdf (accessed March 7, 2017).

25 Oregon DHS, *Temporary Assistance for Needy Families (TANF) Reinvestment Overview.*

2. Instead of a sharp cutoff of cash payments, Oregon's policy phases out payments when a family exits the program due to employment. The state pays the household $100 the first month, $75 the second and $50 the third, for a total of $225.[26]
3. Oregon offers subsidized childcare for employed parents through the Employment-Related Day Care (ERDC) program. Families receiving TANF aid are automatically eligible for this program, and when they exit TANF, they are eligible for a temporary reduced childcare co-payment of $27 per month for three months. After the third month, the household must resume full co-payments.[27]

Childcare Assistance: Overview in Vermont and Other States' Efforts to Address "Cliff Effect"
Vermont uses two programs to subsidize childcare assistance: the Vermont Childcare Financial Assistance Program (CCFAP) and Childcare Tax Credits.

Vermont's Childcare Tax Credits

Low-income Vermonters also may be eligible for two different tax credits to lessen the cost of childcare, though they may only claim one. These are based on federal childcare tax credits, and filers may claim a certain percentage of their federal credit on state returns.

1. Child and Dependent Care Tax Credit: Anyone qualifying for the federal Child and Dependent Care Credit qualifies for this state tax credit. This is worth 24 percent of the federal credit, and is non-refundable.[28]

2. Low Income Child and Dependent Care Credit: If a caretaker used a three, four, or five STARS care provider and makes less than $29,999 ($39,999 filing jointly), the individual may be able claim this credit, worth 50 percent of the federal Child and Dependent Care Expenses tax credit. This is a refundable credit.[29]

Vermont Childcare Financial Assistance Program (CCFAP)

Childcare constitutes a major portion of a family's income in Vermont – according to a 2015 market survey, a child in full-time care at a licensed facility might cost, on average, anywhere from $184.62 to $221.40, depending on their age.[30] Vermont offers subsidized childcare to low-income working parents through the Childcare Financial Assistance Program (CCFAP). Depending on their income, families are eligible for reduced sliding scale co-payments, for which the state then reimburses the care provider.[31] The upper income eligibility limit is 200

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[26] Ibid.
[27] Ibid.
[28] "Child Tax Benefits," Vermont Department for Children and Families, accessed March 10, 2017, http://dcf.vermont.gov/childcare/parents/tax-credit.
[29] Ibid.
[30] See Appendix F.
[31] Vermont Department for Children and Families, *Childcare Financial Assistance Program Provider Handbook,* North Waterbury, Vermont: DCF, 2017,

percent of the FPL, and cannot be more than 100 percent of the Vermont median income.[32] When a household makes up to 100 percent of the FPL or less, they receive the entirety of the subsidized payment, which decreases as income rises. A family at nearly 200 percent of the FPL will receive only 10 percent of the subsidized payment, and anyone above 200 percent of the FPL cannot receive benefits, as shown in Appendix D.[33]

The reimbursement payment to the provider varies depending on the time the child spends in care, the age of the child, whether the care utilized is a licensed program or a registered home program, and the childcare service's Step Ahead Recognition System (STARS) rating (as documented in Appendix E).[34] The state will pay a subsidy rate above the base payment for providers who have been evaluated and granted a higher STARS rating (indicating higher quality care).[35]

Families with an open case with the Family Services Division, who are undergoing significant stress or who have children with special needs, may qualify for the Specialized Childcare program, which grants an additional 7 percent of assistance per qualifying child.[36]

Additionally, the federal government requires states to complete a survey of market rates for childcare every two years.[37] Vermont's most recent survey was completed in 2015. The federal government recommends that states set their subsidies at the 75th percentile of market rates, with households being responsible for any paying any difference between the subsidy and the remaining cost.[38] As seen in the charts in Appendix E and Appendix F, CCFAP's current monetary reimbursements for part and full-time childcare are consistently lower than the childcare market rates for 2015, across all ages and STARS levels.[39]

Other States' Actions to Address the Cliff Effect in Childcare Assistance

Other states have primarily addressed the benefits cliff in childcare assistance by implementing a subsidized childcare system that utilizes sliding scale payment programs, where copayments gradually rise in proportion to increases in income; additionally, some states have readjusted their eligibility requirements or established task forces to implement new changes.

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http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/Provider_Handbook.pdf (accessed February 22, 2017).

32 33 V.S.A. § 3512

33 See Appendix D.

34 VT DCF, *Childcare Financial Assistance Program Provider Handbook;* see Appendix F.

35 VT DCF, *Childcare Financial Assistance Program Provider Handbook*

36 "Specialized Childcare," Vermont Department for Children and Families, accessed March 3, 2017, http://dcf.vermont.gov/childcare/providers/specialized.

37 Vermont Department of Children and Families, *2015 Vermont Childcare Market Rate Survey,* North Waterbury, VT: DCF, http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_Report_2015.pdf (accessed March 5, 2017).

38 Ibid.

39 See Appendix E; See Appendix F.

Colorado: Colorado has passed multiple pieces of legislation in an attempt to mitigate the cliff effect in regard to the cost of childcare, something that Vermont has recognized is a major factor in creating the cliff. In 2012, S.B. 12-022 was signed into law, which authorized the creation of a Colorado Childcare Assistance pilot program (CCCAP).[40] The state legislature authorized ten counties to undertake a pilot that would allow families making over the county income eligibility threshold to continue receiving subsidized childcare for two years, after which they would be responsible for making full payments. During this period, they would face gradually increasing payments at a schedule determined by the county.[41]

Yet no counties signed onto the program, largely because it offered no extra funding in exchange for implementation.[42] In response the state passed S.B. 14-003 in 2014, which altered the initial pilot program in a few significant ways. First, counties were given more flexibility in developing their pilots and no longer had to take on the entire CCCAP caseload.[43] Additionally, Colorado authorized $1,200,000 to be set aside from the general fund for these pilots, as well as $69,453 for administrative implementation.[44] Ten counties signed up as a result of the 2014 changes, but few were from rural or mountainous areas.[45] As such, the legislature struck the ten-county limit from the bill in S.B. 16-022 and allowed the program director to disregard the two-year study if a shortened term would contribute relevant data.[46]

Aside from this, Colorado also authorized a new state childcare tax credit in 2014, with H.B. 14-1072. This allowed anyone with a federal adjusted gross income of $25,000 or less to claim expenses for a child under 13, for up to $500 for a single dependent, or $1,000 for two or more dependents.[47]

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40 "Concerning Maintaining Childcare Assistance for Working Families," S.B. 022, 68th Colo. Gen. Assemb. (2012), accessed February 15, 2017, http://www.leg.state.co.us/clics/clics2012a/csl.nsf/billcontainers/2D8471E7E7420A6587257981007F36B3/$FILE/022_enr.pdf.

41 Ibid.

42 "Who's Watching the Kids?" National Conference of State Legislatures, accessed February 12, 2017, http://www.ncsl.org/bookstore/state-legislatures-magazine/raise-can-mean-parents-lose-child-care-assistance.aspx.

43 "Concerning Childcare Assistance for Working Families, and, in Connection Therewith, Making an Appropriation," S.B. 003, 69th Colo. Gen. Assemb. (2014), accessed February 12, 2017, http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont2/6A4DFD111FCA19BB87257C300005BE6F/$FILE/003_enr.pdf.

44 Ibid.

45 "Who's Watching the Kids?" National Conference of State Legislatures.

46 "Concerning Removing Certain Limitations on the Pilot Program to Mitigate Cliff Effect for Low-Income Families Who are Working and Receiving Childcare Assistance," S.B. 022, 70th Colo. Gen. Assemb. (2016), accessed February 13, 2017, http://www.leg.state.co.us/clics/clics2016a/csl.nsf/fsbillcont2/1608A9C42F66D79587257F2400642B7B/$FILE/022_enr.pdf.

47 "Concerning An Income Tax Credit For Childcare Expenses Paid By A Resident Individual With A Federal Adjusted Gross Income Of Twenty-Five Thousand Dollars Or Less, And, In Connection Therewith, Making An Appropriation," H.B. 1072, 69th Colo. Gen. Assemb. (2014), accessed February 13, 2017, http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont/79010460F86C53A887257C300005BDE5?Open&file=1072_enr.pdf.

Louisiana: In 2016, Louisiana made significant changes to its subsidized childcare program. In January, the Department of Education (which is in charge of childcare programs) increased the stipend that households could receive by a maximum of 250 percent.[48] Further, they removed a provision that revoked childcare subsidy eligibility immediately when the head of household lost his/her job or stopped going to school. Instead, families will retain their eligibility for 12 months before being reassessed.[49]

More recently, the Department of Education and the Board of Elementary and Secondary Education (BESE) announced new changes to the childcare program, effective February 26, 2017. These adjustments lowered the employment requirement from a minimum of 30 to 20 hours worked per week, made all students in school or job training eligible, and reduced the minimum work requirement to fifteen hours per week for parents of children with special needs.[50]

Minnesota: Minnesota offers an extension of subsidized childcare for people leaving the state's TANF program, Minnesota Family Investment Program, or its Diversionary Work Program (the equivalent of Vermont's Reach First program). In order to receive this, the family must care for a child or children 12 or younger (14 if they have special needs) and make under a certain income depending on household size. Additionally, the parent or parents must be either working or looking for work, fulfill child support requirements, and choose an approved provider within the county.[51] The income limits for this program are shown below in Table 9.

Table 9. **Minnesota Transitional Childcare Assistance: Maximum Family Income by Household Size**

Household Size	Maximum Annual Family Income
2	$43,003
3	$53,121
4	$63,239
5	$73,358
6	$83,476

Source: "Transition Year and Transition Year Extension of Childcare Assistance," *Minnesota Department of Human Services*, accessed March 20, 2017, https://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/programs-and-services/transition-year.jsp.

48 "BESE Plan Makes Childcare Affordable For Low-Income Louisiana Families," Louisiana Department of Education, accessed March 7, 2017, https://www.louisianabelieves.com/newsroom/news-releases/2015/08/12/bese-plan-makes-child-care-affordable-for-low-income-louisiana-families.

49 Ibid.

50 "Program Changes Enable More Working Families To Access Childcare Assistance," Louisiana Department of Education, accessed March 7, 2017, https://www.louisianabelieves.com/newsroom/news-releases/2017/02/16/program-changes-enable-more-working-families-to-access-child-care-assistance

51 "Transition Year and Transition Year Extension of Childcare Assistance," Minnesota Department of Human Services, accessed March 20, 2017, https://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/programs-and-services/transition-year.jsp.

Nebraska: In May 2015, LB 81 was passed. The law modified the redetermination requirements for families receiving subsidized transitional childcare assistance to allow families with incomes between 135 and 185 percent of the FPL to continue transitional assistance and sliding scale co-payments for up to two years, unless their income falls below 135 percent of the FPL.[52] In order to understand how many families are disqualified from transitional childcare assistance after losing income and falling below 135 percent of the FPL, the Division of Children and Family is tasked with reporting these numbers to the Governor.[53]

Nebraska amended LB 607 through AM 1551, which allowed recipients of Aid to Dependent Children (ADC) whose increased wages resulted in a loss of benefits to apply for types of assistance. Basic needs support is given to families under 185 percent of the FPL for up to five months; these transitional payments are equivalent to 20 percent of the family's previous ADC payments.[54] Additionally, disqualified ADC recipients may also apply for childcare assistance and one year of medical assistance after the date that ADC eligibility is lost.[55]

AM 1551 also created new income disregards:

- For initial eligibility, earned income will be disregarded by 20 percent; for eligibility redeterminations, the earned income will be disregarded by 50 percent; and
- Expenses for the advancement of self-sufficiency are disregarded.[56]

Pennsylvania: In 2015, H.B. 1164 passed in the House, but ultimately was not signed into law; however, the bill detailed a new sliding scale for childcare copayments, which was based on a percentage of a family's adjusted gross income (AGI), and because of its relevance to the benefits cliff, is included below. The bill would have set a maximum annual copayment amount, which would have been calculated based on the family's AGI in relation to the FPL, shown in Table 10 below.[57]

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52 "A Bill For An Act relating to social services; to amend section 81-3133, Reissue Revised Statutes of Nebraska, and section 68-1206, Revised Statutes Cumulative Supplement, 2014; to change provisions relating to eligibility for assistance; to require reporting regarding transitional childcare assistance programs; and to repeal the original sections," L.B. 81, Neb. Leg. (2015), accessed March 7, 2017, http://nebraskalegislature.gov/FloorDocs/104/PDF/Final/LB81.pdf.

53 Ibid.

54 Ibid.

55 "Amendments to LB607," A.M. 1551, 104th Neb. Leg. (2015), accessed March 7, 2017, http://www.nebraskalegislature.gov/FloorDocs/104/PDF/AM/AM1551.pdf.

56 Ibid.

57 "An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, in public assistance, further providing for copayments for subsidized childcare; and abrogating a regulation," H.B. 1164, Penn. Gen. Assemb. (2015), accessed February 5, 2017, http://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2015&sessInd=0&billBody=H&billTyp=B&billNbr=1164&pn=1852.

Table 10. Maximum Annual Copayment Amounts*

Adjusted Gross Income **(As Percentage of Poverty Line)**	Maximum Annual Copayment **(As Percentage of AGI)**
100% or less	8% of AGI
100-250%	11% of AGI
250-275%	13% of AGI
275-300%	15% of AGI
***This table demonstrates the maximum amount of a family's adjusted gross income to be used on subsidized childcare copayments, depending on which range of the federal poverty level the family's AGI falls within.**	

Source: "An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, in public assistance, further providing for copayments for subsidized childcare; and abrogating a regulation," H.B. 1164, Penn. Gen. Assemb. (2015), accessed February 5, 2017, http://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2015&sessInd=0&billBody=H&billTyp=B&billNbr=1164&pn=1852.

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H.B. 1164 also would have provided further copayment reductions for families who go beyond the minimum work requirement. Depending on the number of hours worked per parent, copayment reductions would have reached a maximum of 3 percent. Once eligible, four criteria would have needed to be met in order to maintain reduced copayments: timely payments, annual documentation, an earned income below 300 percent of the federal poverty guideline (increased from 235 percent) and the parent(s) consistently work more hours than required to increase their income.[58] Table 11 below shows the different copayment reductions incurred at various wage-earning hours.

Table 11. Wage Earning Hours and Copayment Reductions

Wage-Earning hours	Copayment Reduction
25 hrs per parent	0.75%
30 hrs per parent	1.5%
35 hrs per parent	2.25%
40 hrs per parent	3.0%

Source: "An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, in public assistance, further providing for copayments for subsidized childcare; and abrogating a regulation," H.B. 1164, Penn. Gen. Assemb. (2015), accessed February 5, 2017, http://www.legis.state.pa.us/cfdocs/legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2015&sessInd=0&billBody=H&billTyp=B&billNbr=1164&pn=1852.

58 Ibid.

Rhode Island: Rhode Island caps subsidized childcare when a family reaches 180 percent of the FPL.[59] In 2012 a pilot program, projected to end in 2017, was authorized to allow families to retain their subsidy until they reach 225 percent of the FPL.[60] New applicants above 180 percent of the FPL but below 225 percent are not eligible to apply.[61]

Tennessee: Tennessee provides 18 months of transitional childcare assistance for employed parents who are no longer eligible for Families First, the state's TANF program.[62] While receiving Families First assistance, families do not pay a copayment for childcare. Participants in the Transitional Childcare Assistance program must satisfy a work requirement, and pay a copayment based on a sliding fee scale.[63]

Washington: In 2013, Washington State passed S.B. 5595, which established a legislative task force to improve the childcare system. It mandated the following four changes to the system:

1. Create flexible subsidies that withstand "small fluctuations in family circumstances" [64];
2. Minimize need for reauthorizations by broadening categories;
3. Increase eligibility for full time childcare to include all parents with at least 110 work hours;
4. Redefine income calculations for child support.[65]

Unemployment:
Overview in Vermont and Other States' Efforts to Address "Cliff Effect"

Vermont's Unemployment Insurance, Workers' Compensation, and Short-Term Compensation Program

The U.S. Bureau of Labor Statistics defines an unemployed person as one who is "jobless, looking for a job, and available for work."[66] As of December 2016, 10,600 Vermonters were unemployed, a decreased from 11,750 in January of that year.[67] As such, Vermont's seasonally adjusted unemployment rate decreased from 3.4 percent to 3.1 percent between January and

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59 "Childcare Assistance Program (CCAP) Information," Rhode Island Department of Human Services, accessed February 23, 2017, http://www.dhs.ri.gov/Programs/CCAPProgramInfo.php.

60 Ibid.

61 Ibid.

62 "More About the Childcare Certificate Program," Tennessee Department of Human Services, accessed March 19, 2017, https://tn.gov/humanservices/article/child-care-financial-assistance.

63 Ibid.

64 **"**An Act Relating To Childcare Reform," S.B. 5595, 63rd Washington Leg. (2013), accessed March 15, 2017, http://lawfilesext.leg.wa.gov/biennium/2013-14/Pdf/Bills/Session%20Laws/Senate/5595-S2.SL.pdf.

65 **"**An Act Relating To Childcare Reform," S.B. 5595, 63rd Washington Leg. (2013), accessed March 15, 2017, http://lawfilesext.leg.wa.gov/biennium/2013-14/Pdf/Bills/Session%20Laws/Senate/5595-S2.SL.pdf.

66 "How the Government Measures Unemployment," Bureau of Labor Statistics, accessed March 18, 2017, https://www.bls.gov/cps/cps_htgm.htm.

67 "Labor Force & Unemployment: Vermont 2016 –Seasonally Adjusted," Vermont Department of Labor, accessed February 1, 2017, http://www.vtlmi.info/Labforce.cfm?qperiodyear=2016&qareatype=01&qadjusted=Y.

December 2016.[68] Without seasonally adjusting this data, however, Vermont's unemployment rate was 2.8 percent in December 2016.[69]

Vermont also uses six other measures of unemployment and underemployment. In relation to the benefits cliff, these statistics encompass more than just people who do not have a job and are willing, able and seeking one; it includes discouraged workers, marginally attached workers ("persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past"), and part-time workers (those available for full-time work, but only employed part-time).[70] The Vermont Department of Labor recognizes six categories of unemployment, which are shown in Tables 5 and 6 below.

Table 5. Vermont Categories of Labor Underutilization and Unemployment

U-1: Persons unemployed 15 weeks or longer, as a percent of the civilian labor force. **U-2:** Job losers and persons who completed temporary jobs, as a percent of the civilian labor force. **U-3:** Total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate). **U-4:** Total unemployed plus *discouraged workers*, as a percent of the civilian labor force plus discouraged workers. **U-5:** Total unemployed, plus *discouraged workers*, plus all other *marginally attached workers*, as a percent of the civilian labor force plus all marginally attached workers. **U-6:** Total unemployed, plus all *marginally attached workers*, plus total *employed part time for economic reasons*, as a percent of the civilian labor force plus all marginally attached workers.

Source: "ELMI Alternative Unemployment Rates for Vermont," *Vermont Department of Labor*, last modified October 28, 2016, http://www.vtlmi.info/unempaltrate.cfm.

68 Ibid.

69 "Labor Force & Counties: 2016 December," Vermont Department of Labor, accessed February 1, 2017, http://www.vtlmi.info/Labforce.cfm?qperiodyear=2016&qareatype=04&qadjusted=Y.

70 "ELMI Alternative Unemployment Rates for Vermont," Vermont Department of Labor, last modified October 28, 2016, http://www.vtlmi.info/unempaltrate.cfm.

Table 6. Alternative Measures of Labor Utilization in Vermont: Unemployment Rate – Four-Quarter Average

Time Period	Percent Unemployed					
	U-1	U-2	U-3*	U-4	U-5	U-6
4th Quarter 2015 – 3rd Quarter 2016	0.9	1.7	3.4	3.6	5.4	7.7
3rd Quarter 2015 – 2nd Quarter 2016	0.9	1.7	3.5	3.8	4.6	8.1
2nd Quarter 2015 – 1st Quarter 2016	1.0	1.7	3.6	3.9	4.6	8.1
***U-3 is the standard definition used by labor departments.**[71]						

Source: "ELMI Alternative Unemployment Rates for Vermont," *Vermont Department of Labor*, last modified October 28, 2016, http://www.vtlmi.info/unempaltrate.cfm.

Unemployment Insurance

To be eligible for unemployment insurance (UI), Vermont requires that a worker had been employed in the state within the last year to year-and-a-half, and lost the job "through no fault of their own."[72] It also requires that the workers' wages during the base period— "four successive calendar quarters that fall within the 18-month period prior to establishing a new benefit year" —reach a minimum wage requirement, as determined through four methods.[73] Those who qualify and receive weekly monetary assistance must be able, available, and searching for employment, and prove this through documentation of job searches and filing weekly claims.[74] "The weekly benefit amount [WBA] is computed by dividing the total wages paid in the two highest quarters in the worker's base period by 45," and the current maximum benefit amount (MBA) is capped at $458.[75] UI recipients cannot collect weekly benefits for longer than 26 weeks or for more than 46 percent of their wages from their base period.[76]

In 2015, the Vermont Department of Labor summarized these statistics regarding UI payments: there was a total of 234,638 weeks claimed and the total payout to recipients was

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71 Ibid.

72 Vermont Department of Labor, *Vermont Claimant Handbook: A Guide to Unemployment Insurance in Vermont,* Montpelier: DOL, 2016, http://labor.vermont.gov/wordpress/wp-content/uploads/B-11-Claimant-Handbook.pdf (accessed February 7, 2017).

73 "Calculating Your UI Benefits," Vermont Department of Labor, accessed February 28, 2017, http://labor.vermont.gov/unemployment-insurance/unemployed/calculating-your-ui-benefits/.

74 "Establishing an Unemployment Claim," Vermont Department of Labor, accessed February 28, 2017, http://labor.vermont.gov/unemployment-insurance/unemployed/establishing-an-unemployment-claim/; VT DOL, *Vermont Claimant Handbook.*

75 "Calculating Your UI Benefits," Vermont Department of Labor, accessed February 18, 2017, http://labor.vermont.gov/unemployment-insurance/unemployed/calculating-your-ui-benefits/; Vermont Department of Labor, *Maximum Weekly Benefit and New Quarterly Qualifying Wage Amounts,* Montpelier, Vermont: DOL, 2016, http://labor.vermont.gov/wordpress/wp-content/uploads/Maximum-Weekly-Benefit-and-New-Quarterly-Qualifying-Wage-Amounts.pdf (accessed February 20, 2017).

76 "Calculating Your UI Benefits," Vermont Department of Labor.

$61,714,586.[77] The average weekly benefit amount for total unemployment insurance was $328.67.[78] When accounting for both part-time and total unemployment insurance, the average weekly benefit was $308.[79] Recipients of unemployment insurance average 15.1 weeks of assistance, with 5,985 people qualifying for the maximum benefit duration of 26 weeks.[80] Data from 2016 demonstrate an increase each month, starting in September and through December, in both the number of initial unemployment insurance claims and the total weeks claimed by all participants, as shown in Appendix G.[81]

Short Term Compensation (STC) Program

The Short Term Compensation Program (STC) was created to help reduce the frequency of layoffs from full-time jobs. Employers can utilize this program by applying 30 days in advance to decrease all of their workers' hours between 20 and 50 percent.[82] Upon approval, a worker's "STC benefit amount is calculated by multiplying the regular UI weekly benefit amount [had the employee been laid off] by the percentage reduction of normal work hours specified in the approved plan."[83] Therefore, a 20 percent reduction in wage-earning hours would result in STC that is 20 percent of what the weekly benefit amount would be under full UI. Workers under the STC Program must file weekly claims to continue collecting benefits, but are not required to provide proof of job searches. Their compensation is limited to 26 weeks.[84]

Workers' Compensation Insurance

Workers' compensation provides monetary, educational, and medical benefits to workers who sustained a work-related injury. There are five types of workers' compensation that workers in Vermont can apply for, and more than one benefit can be utilized depending on the severity of the injury, as seen in Table 7.

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77 Ibid.
78 Ibid.
79 Ibid.
80 Ibid.
81 "Unemployment Insurance Summary," *Vermont Department of Labor*, September 2016, http://www.vtlmi.info/uc201609.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, October 2016, http://www.vtlmi.info/uc201610.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, November 2016, http://www.vtlmi.info/uc201611.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, December 2016, http://www.vtlmi.info/uc201612.pdf; see Appendix G.
82 Vermont Department of Labor, *Short-Time Compensation (STC) Program,* Montpelier, Vermont: DOL, http://labor.vermont.gov/wordpress/wp-content/uploads//B-3-STC-Program-Explanation.pdf (accessed February 7, 2017).
83 Ibid.
84 Ibid.

Table 7. Types of Workers Compensation in Vermont

Type of Benefit	Description
Medical Benefits	Covers the cost of medical expenses related to the work-related injury.
Temporary Disability	Provides weekly temporary, total disability (TTD) payments if a worker's injury prevents work for an excess of four days. Payout increases by $10 for each dependent child. Provides weekly temporary, partial disability (TPD) if the worker can maintain part-time hours with their injury.
Permanent Impairment Benefits	Provides one-time or reoccurring compensation for workers who sustained permanent injuries on the job.
Vocational Rehabilitation Benefits	Provides vocational training to workers who are unable to return to their previous job or skill set.
Death Benefits	Provides families with compensation in cases where death was the result of a work-related injury.

Source: "Workers' Compensation Benefits," Vermont Department of Labor, accessed March 15, 2017, http://labor.vermont.gov/workers-compensation/injured-workers/workers-compensation-benefits/.

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Other States' Actions to Address the Cliff Effect in Unemployment

In order to minimize unemployment and underemployment or to increase the skilled work force and subsequently, the qualification of low-wage individuals for higher wage jobs, many states have taken actions to increase educational and employment opportunities for unemployed or low-income individuals; often times, this is proposed through incentives that provide job and skills training or access to higher education opportunities.

Arkansas: In 2005, Arkansas passed Act 1705, which established two initiatives, the Work Pays Program and the High Wage Education and Training Initiative, to address both immediate and long-term causes of the benefits cliff. The Works Pays Program serves as an extra support to up to 3,000 people who have recently left the Transitional Employment Assistance (TEA) program. This may be provided through "(1) or more of the following: (A) Cash assistance; (B) Support services; (C) Medical assistance; and (D) Employment assistance."[85] To be eligible, applicants must meet their federal work requirement, work at least 24 hours per week but remain under the FPL, have not collected more than two years of TEA payments, and are responsible for a child. The monetary payments are given on a monthly basis, and for families are "equal to the

[85] "An Act to Implement Changes in Scope and Focus of the Arkansas Transitional Employment Program; To Change the Name of the Arkansas Employment Security Department to the Department of Workforce Services; To Create the Arkansas Work Pays Program; And for Other Purposes," S.B. 380, 85th Ark. Gen. Assemb. (2005), accessed March 2, 2017, http://www.arkleg.state.ar.us/assembly/2005/R/Acts/Act1705.pdf.

maximum monthly Transitional Employment Assistance Program benefit for a family of three with no earned income."[86] The High Wage Education and Training Initiative, recognizing the importance of higher education in the obtainment of high wage jobs, specifies the use of TANF funds for applicants under 250 percent of the federal poverty guidelines with children under 21 to provide low-income parents with access to education opportunities.

Maryland: In 2013, S.B. 268 created the Maryland Employment Advancement Right Now (EARN) Program to increase the state's skilled workforce through financial assistance in job training programs and the obtainment of credentials — diplomas, degrees, certificates, licenses, certifications. Job training programs included "skills development, GED preparation, literacy advancement, financial stability services…credit coaching, transportation, and childcare."[87] To provide unemployed individuals with knowledge of these work and education opportunities, "individuals receiving or applying for unemployment benefits [are given] information on the Maryland EARN Program, including information on how to obtain job readiness and skills training in the State."[88]

Nebraska: In 2015, LB 519 was amended to create the Nebraska Education Improvement Fund. This fund provides grants for several programs to ease education and employment transitions and to improve the quality of education for students in primary, secondary and post-secondary education.[89] The Department of Labor is responsible for tracking which trades and occupations need a larger workforce, and distributing grant money to high schools and community colleges for students to pursue the skills and credentials for those fields.[90]

In 2016, AM 2422, which amended LB 774, establishes tax incentives for employers, whereby employers are eligible for two years of income tax credits that are equal to "twenty percent of the employer's annual expenditures" on services that enhance employee's education (through "the payment of tuition at a Nebraska public institution of postsecondary education or the payment of the costs associated with a high school equivalency program") or supplement employee's work-related transportation costs.[91]

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86 Ibid.

87 "An Act Concerning Maryland Employment Advancement Right Now (EARN) Program," S.B. 278, 473rd Md. Gen. Assemb. (2013), accessed February 27, 2017, http://mgaleg.maryland.gov/2013RS/chapters_noln/Ch_1_sb0278T.pdf.

88 Ibid.

89 "Amendments to LB519," A.M. 1044, 104th Neb. Leg. (2015), accessed March 7, 2017, http://nebraskalegislature.gov/FloorDocs/104/PDF/AM/AM1044.pdf.

90 Ibid.

91 "Amendments to LB 774," A.M. 2422, 104th Neb. Leg. (2016), accessed March 7, 2017, http://nebraskalegislature.gov/FloorDocs/104/PDF/AM/AM2422.pdf.

SNAP:
Overview in Vermont and Other States' Efforts to Address "Cliff Effect"

3Squares Vermont

3Squares Vermont, Vermont's implementation of SNAP, reached 78,892 participants in 42,926 households in December 2016, with an average monthly payout of $228.[92] Eligibility for the program is calculated based on the federal poverty guidelines. In order to qualify, applicants must have a gross household income of less than 185 percent of the federal poverty guidelines.[93] Households including someone who is elderly or disabled are still able to apply if their household income is above 185 percent of the FPL, but certain assets (such as vehicles and bank accounts), are considered in the evaluation.[94] Households with children that receive an earned income tax credit are automatically eligible to apply for 3Squares.[95]

Actions Taken by Other States to Address Cliff Effect in SNAP

In many states, local governments administering SNAP have taken steps to increase eligibility limits. Many states have also eliminated asset limits, which could increase a family's savings and reduce "churning" (that is, people who enter and exit SNAP as their eligibility fluctuates).

Illinois: In 2015, Illinois passed S.B.1847, which expanded SNAP eligibility from 130 to 165 percent of the FPL.[96]

Pennsylvania: Pennsylvania eliminated SNAP asset test early in 2015. According to the Urban Institute, eliminating asset limits and tests could reduce churning in the system – that is, when a family's income fluctuates, resulting in them entering and exiting the program.[97]

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92 Vermont Department of Children and Families, Economic Services Division, *3SquaresVT Participation and Benefits,* North Waterbury, Vermont: DCF, 2017, http://dcf.vermont.gov/sites/dcf/files/ESD/Report/3SVTPartic%26Benefits1983-2016%20thruDec2016.pdf (accessed March 2, 2017).
93 "3SQUARESVT," *Vermont Department for Children and Families*, accessed February 20, 2017, http://dcf.vermont.gov/benefits/3SquaresVT.
94 Ibid.
95 Ibid.
96 **"**An Act Concerning Public Aid," S.B. 2340, 99th Ill. Gen. Assemb. (2016), accessed February 18, 2017, http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=099-0899.
97 Caroline Ratcliffe, et al., *Asset Limits, SNAP Participation, and Financial Stability,* The Urban Institute, accessed April 10, 2017, http://www.urban.org/sites/default/files/2000843-asset-limits-snap-participation-and-financial-stability.pdf.

Medicaid:
Overview in Vermont and Other States' Efforts to Address "Cliff Effect"

Medicaid and Dr. Dynasaur

Vermont provides medical assistance for low-income adults and children through Medicaid and Dr. Dynasaur (Vermont's State Children's Health Insurance Program, or SCHIP). In SFY16, Vermont had 223,310 Medicaid claims, costing $1,389,801,754 (approximately $518.64 per patient per month).[98] Eligibility is calculated using a person's modified adjusted gross income (MAGI) and the national federal poverty guidelines. Different standards are used for adults and children. The upper limits on eligibility, in effect through March 2017, are as follows:

- Adults: 133 percent of the FPL, plus 5 percent income disregard;
- Pregnant women: 208 percent of the FPL, plus 5 percent income disregard;
- Children under 19: 312 percent of the FPL, plus 5 percent income disregard.[99]

In accordance with federal Medicaid guidelines, states are required to allow pregnant women or households with dependents on TANF who had been receiving medical assistance but exceeded the eligibility limits as a result of an increase in work hours or a pay raise to continue to receive medical assistance for six months, as long as they were receiving aid in at least three of the six months prior to becoming ineligible.[100] They may receive an additional six-month extension as long as the dependent still lives with them in Vermont and they meet certain income requirements.[101] Vermont will still provide this extension of medical assistance if federal funding is unavailable.[102]

Additionally, in Vermont, Medicaid may also be extended for a maximum of four months when a pregnant woman or household with dependents loses medical assistance eligibility as a result of collecting spousal support.[103]

Actions Taken by Other States to Address Cliff Effect in Medicaid

As Medicaid is a federally funded program administered by the states, it must fulfill certain parameters, such as covering certain categorically eligible groups, like pregnant women and children. States can request alterations or customize their programs by requesting waivers from

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98 Department of Vermont Health Access, *Medicaid Program Enrollment Report, Q4 SFY 2016,* Waterbury, Vermont: DVHA, 2017, http://dvha.vermont.gov/budget-legislative/sfy16-q4-medicaid-enrollment-and-expenditure-report.pdf (accessed March 5, 2017).
99 "Eligibility Thresholds – 2017," Department of Vermont Health Connect, accessed February 22, 2017, http://info.healthconnect.vermont.gov/Thresholds2017.
100 Code of Vermont Rules 13-170-001 7.03-(6)(i)
101 Code of Vermont Rules 13-170-001 7.03(6)(i)(D)
102 Code of Vermont Rules 13-170-001 7.03(6)(ii)
103 Code of Vermont Rules 13-170-001 7.03(6)(D)

the Centers for Medicare and Medicaid Services (CMS) to customize their programs, which many do to address benefit structures within the state.[104] Some of these are shown below.

Utah: In 2017, Utah passed H.B. 172. This bill ordered the state Medicaid program to pursue an amendment from CMS that would allow the state to ignore any resources in a Utah Education Savings Plan when calculating an applicant's eligibility for Medicaid.[105]

Indiana: Indiana signed onto the ACA's Medicaid expansion, but obtained the proper waivers to allow the state to build upon a 2007 Medicaid reform known as the Healthy Indiana Plan (HIP). The most recent incarnation of this program, HIP 2.0, covers adults 19-64 at or below 133 percent of the FPL.[106]

As described by Seema Verma (who was recently sworn in as head of CMS) and Brian Neale in *Health Affairs*, Indiana structured HIP 2.0 to resemble a private health insurance policy and to be "consumer-driven," with the intent of encouraging personal responsibility in managing health recipients' heath care.[107]

HIP 2.0 encompasses three benefit plans: HIP Plus, HIP Basic, and HIP Link. New recipients are automatically enrolled in HIP Plus, which offers a health benefit package that includes some dental and vision coverage. HIP Plus essentially combines a $2,500 high deductible health plan (HDHP) and a $2,500 health savings account (HSA). The savings account is known as the Personal Wellness and Responsibility (POWER) account, and recipients between 101 and 138 percent of the FPL are required to pay 2 percent of their income into it each month (at the maximum of 138 percent of the poverty line, this equals $27 per month). These premiums are a condition of staying in the HIP Plus program – if a recipient fails to make a payment after a 60-day grace period, they are transferred from HIP Plus to the HIP Basic, and cannot re-enroll in HIP Plus for six months. HIP Basic is a reduced benefit package that requires co-payments on services, and does not include vision or dental care.[108] As this could be more expensive than making payments, Indiana hopes that it will incentive staying above 100 percent FPL and timely payments.[109]

Finally, recipients may also enroll in HIP Link, a state-funded cost-sharing agreement with employer-sponsored health programs. This includes a $4,000 POWER account, something

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104 "Medicaid and the Safety Net," *National Conference of State Legislatures,* accessed April 15, 2017, http://www.ncsl.org/documents/health/MedicaidNetTK13.pdf.

105 "Utah Educational Savings Plan Medicaid Exemptions," H.B. 172, Utah Leg. (2017), accessed April 7, 2017, https://custom.statenet.com/public/resources.cgi?id=ID:bill:UT2017000H172&ciq=ncsl62&client_md=3916a62bb00c87181062f5b48663a655&mode=current_text.

106 Factsheet: Medicaid Expansion in Indiana," Kaiser Family Foundation, accessed March 28, 2017, http://kff.org/medicaid/fact-sheet/medicaid-expansion-in-indiana/.

107 Seema Verma and Brian Neale, "Healthy Indiana 2.0 is challenging Medicaid norms," *Health Affairs,* accessed March 28, 2017, http://healthaffairs.org/blog/2016/08/29/healthy-indiana-2-0-is-challenging-medicaid-norms/.

108 Factsheet: Medicaid Expansion in Indiana," Kaiser Family Foundation.

109 Verma and Neale, "Healthy Indiana 2.0 is challenging Medicaid norms."

Indiana instated to help recipients with rising incomes transition smoothly from Medicaid to private insurance with few coverage gaps.[110]

Actions Taken in Other Countries to Minimize the Benefits Cliff: Basic Income Tests

In the United States, efforts to address the benefits cliff, as seen above, largely taken the shape of altering the structure of or eligibility for public assistance programs. Outside of the US, however, some countries are experimenting with a different strategy to tackle the benefits cliff through testing the viability of a universal basic income.

Between 1974 and 1979, Canada tested a guaranteed annual income (in the form of a negative income tax) in Winnipeg and Dauphin, Manitoba.[111] Known as Mincome, the program placed low-income families in one of seven groups. Each household received one of three incomes ($3,800, $4,800, and $5,800 in 1975 CAD) and was taxed at one of three rates (35, 50 or 75 percent) for every additional dollar earned.[112] Though the program ended with no final report, subsequent analysis found no significant reduction in hours worked – overall, a decrease of 1 percent for men, 3 percent for married women, and 5 percent for single women.[113]

More recently, a number of proposals for a basic income have emerged in Canada. Prince Edward Island passed a resolution to pursue a pilot program in December 2016, and there has been talk in Quebec and Ottawa of following suit.[114] Ontario, meanwhile, has taken concrete steps toward designing a pilot – on January 31, 2017, the province finished gathering feedback from the public and experts. Although no exact plan has been released yet, the province hopes to launch a program in the spring of 2017.[115]

Canada is not the only country to explore the possibility of a basic income or welfare reform. Early in 2017, Finland kicked off a two-year pilot program testing a basic income of approximately €560 per month in place of welfare for 2,000 unemployed Fins.[116]

In the Netherlands, Utrecht is partnering with Utrecht University in the "Weten Wat Werkt" ("Know What Works") program, slated to begin in May 2017 and to run for two years. The

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110 Ibid.

111 Hum, Derek and Wayne Simpson, "A Guaranteed Annual Income? From Mincome to the Millennium," *Policy Options* 22 (2001), http://policyoptions.irpp.org/magazines/2001-odyssee-espace/a-guaranteed-annual-income-from-mincome-to-the-millennium/.

112 Ibid.

113 Ibid.

114 "P.E.I. MLAs effusive in their support for basic-income pilot project," *CBC News,* December 7, 2016, http://www.cbc.ca/news/canada/prince-edward-island/legislature-mlas-basic-income-1.3884964.

115 "Basic Income Pilot: What We Heard," Ontario Ministry of Community and Social Services, March 2017, https://files.ontario.ca/bi_wwh_final_english.pdf.

116 Agerholm, Harriet, "Finland launches universal basic income pilot of 560 euros per month," *The Independent,* accessed February 18, 2017, http://www.independent.co.uk/news/world/europe/finland-universal-basic-income-pilot-ubi-560-euros-a-month-helsinki-poverty-unemployment-a7506696.html.

program will study the effects of relaxed rules on social assistance programs, as well as direct cash transfers.[117] There will be four groups in the study: 1) a control group; 2) a group that is not required to search for a job; 3) a group with no job search requirements, that also receives additional support to find a job; and 4) a group that is not required to search for a job, and will be offered £125 to carry out an activity chosen by the city.[118]

Research on the Benefits Cliff in Vermont

2008 National Center for Children in Poverty Report

In 2008, the Vermont legislature commissioned a study on the state's benefits cliff from the National Center for Children in Poverty (NCCP), a division of Columbia University's Mailman School of Public Health. The NCCP report analyzed available work supports in Vermont and made a number of broad policy recommendations for the state to consider. These are as follows:

1. Expand childcare assistance access by updating subsidies to reflect market rates, phasing out subsidy more slowly, and raising income eligibility.[119]
2. Alter childcare tax credits so that they are both refundable (currently, only the Vermont Low-Income Child and Dependent Care tax credit is refundable), and calculate the refundable credit on a family's potential federal eligibility.[120]
3. Increase TANF income disregard from 25 to 50 percent.[121]
4. Restructure the Earned Income Tax Credit and Renter Rebate program so that they continue to provide aid while federal benefits phase out.[122]
5. Increase Low-Income Home Energy Assistance Program's income limit and phase out benefits more gradually.[123]
6. Increase child support disregard in TANF and the Renter Rebate program.[124]
7. Expand health coverage for families without employer-provided insurance.[125]

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117 Hamilton, Tracy Brown, "The Netherlands upcoming money-for-nothing experiment," *The Atlantic,* June 21, 2016, accessed February 28, 2017, https://www.theatlantic.com/business/archive/2016/06/netherlands-utrecht-universal-basic-income-experiment/487883/.

118 "Experiment 'Weten wat werkt': study into the effects of fewer rules in social assistance," Gemeente Utrecht, accessed March 21, 2017, https://www.utrecht.nl/city-of-utrecht/living/welfare-experiment-weten-wat-werkt/.

119 Nancy Cauthen, Kinsey Alden Dinan, and Michelle Chau, "Work Supports in Vermont: An Analysis of the Effectiveness of State Policies Supporting Work," National Center for Children in Poverty, December 2008, http://legislature.vermont.gov/assets/Documents/2014/WorkGroups/Vermont%20Child%20Poverty%20Council/Reports%20and%20Resources/W~Workforce~Work%20Supports%20in%20Vermont-An%20Analysis%20of%20the%20Effectiveness%20of%20State%20Policies%20Supporting%20Work~12-1-2008.pdf.

120 Ibid.

121 Ibid.

122 Ibid.

123 Ibid.

124 Ibid.

125 Ibid.

2010 NCCP Report Update

In the wake of the 2009 Governor's Summit on Pathways to Economic Stability, Vermont took a renewed interest in addressing the benefits cliff.[126] In 2010, the Agency of Human Services reviewed the 2008 NCCP report and evaluated changes made and future policy recommendations. By this point, Vermont had taken a few steps toward addressing the problem:

1. SNAP eligibility was increased to 185 percent of the FPL in 2009.[127]
2. Another bill in the House (which has since passed), expanded eligibility from 125 percent of the FPL to 150 percent of the FPL, while decreasing the amount of benefits that recipients achieve across the board.[128]
3. The childcare assistance program was restructured in 2010 to allow expanded access to childcare (though the report's authors recognized that between 100 and 200 percent of the FPL, a family's subsidy rapidly drops).[129]

The authors also made a few recommendations for further action:

1. Increase the earned income disregard in TANF (this was done in 2014, when the disregard was increased to $250 per month, plus the 25 percent of the remaining income).[130]
2. Restructure the Vermont Child and Dependent tax credit so that families making over $60,000 are no longer eligible, and distribute the savings among families that are still eligible. This would make the tax credit worth 60 percent of the federal credit (presently 24 percent) and be cost neutral to the state.[131]
3. Adjust the Renter Rebate Program so that benefits are not as generous on the upper end of the spectrum, and raise the income limit that the rebate could be applied to, effectively "smoothing" the cliff.[132]
4. Do not have the legislature increase the child support disregards that the NCCP recommended in 2008 – the state would bear the bulk of the cost and could encourage families to remain on Reach Up longer.[133]

In 2017, the legislature again reviewed work supports in Vermont with the NCCP report in mind. They concluded that changes made since 2008 had helped the situation, though the cost

126 Vermont Agency of Human Services, *Addressing the Benefits Cliff: Recommendations for Further Action,* Montpelier, Vermont: VT AHS, 2010, http://humanservices.vermont.gov/publications/addressing-the-benefits-cliff-recommendations-for-further-action/view (accessed March 17, 2017).
127 Ibid.
128 Ibid.
129 Ibid.
130 Ibid.
131 Ibid.
132 Ibid.
133 Ibid.

of childcare remained a significant barrier to smoothing out the benefits cliff – if, for instance, minimum wage were to rise from $10 to $12.50, households receiving childcare subsidies would be worse off than they would if the minimum wage stayed at $10.[134]

Conclusion

Various pieces of legislation have been passed nationwide to mitigate the benefits cliff. Broadly speaking, this legislation addresses either short-term or long-term solutions for remedying the "cliff." Short-term solutions primarily fall into three categories: (1) phasing out benefits slowly or using sliding fee scales; (2) raising eligibility limits for social programs; and (3) providing monetary incentives for continued employment. The long-term solutions predominantly aim to revitalize statewide employment opportunities by increasing educational and work supports through job training and skill developing initiatives, and improving educational funding and oversight. Since most of the legislation passed by states to address the cliff has been enacted in the past five years, the effectiveness of these changes is not yet known.

Vermont has already enacted many of the changes made by other states in its own benefits programs. Reach Up has moderately increased its income disregards, CCFAP utilizes a sliding scale methodology in phasing out benefits, and 3SquaresVT has one of the highest gross income limits in the country at 185 percent of the FPL. Medicaid and Dr. Dynasaur also have some of the highest income eligibility limits in the country for pregnant women and children.[135] Additionally, several work force development and job training programs also exist in Vermont. These programs, however, undoubtedly can be expanded upon and informed by the short- and long-term solutions proposed in other states.

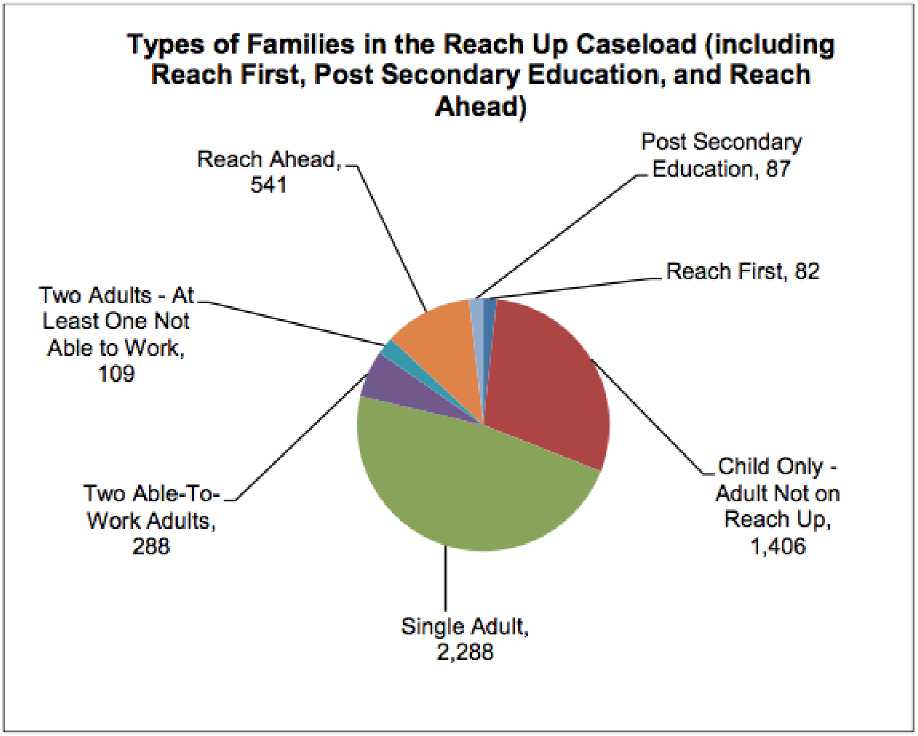
This report was completed on May 12, 2017 by Jasmine Graham and Hannah Morgan under the supervision of Professors Eileen Burgin, Alec Ewald and Jack Gierzynski and with the assistance of Research Assistant Laura Felone in response to a request from Representative Oliver Olsen.

Contact: Professor Anthony Gierzynski, 517 Old Mill, The University of Vermont, Burlington, VT 05405, phone 802-656-7973, email agierzyn@uvm.edu.

[134] Vermont Agency of Human Services, *Work Supports for People on Public Benefits: Assessing Vermont's Benefit Structure,* Montpelier, VT: AHS, 2017, http://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Commerce/Wage%20and%20Benefits/W~Paul%20Dragon~Work%20Supports%20for%20People%20on%20Benefits~2-15-2017.pdf (accessed April 5, 2017).
[135] "Medicaid and CHIP Levels," *Medicaid.gov,* April 1, 2016, https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html.

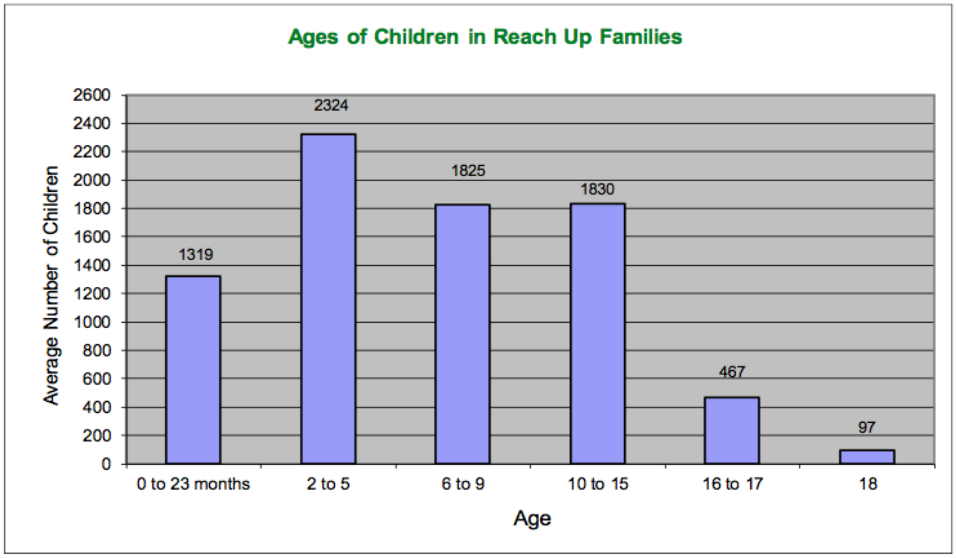
Appendix A

Average Monthly Caseload for Reach Up and Related Programs:
October 2015 - September 2016



Source: Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017).

Ages of Children in the Reach Up Program:
October 2015 - September 2016



Source: Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017).

Appendix B

Wage Ranges of Employed Reach Up Participants:
October 2015 - September 2016

Reach Up Participants by Wage Range October 2015 through September 2016		
Industry	**Percentage in Each Industry**	**Average Number of Participants**
Under $9.60 per hour	20.0%	235
$9.60-9.99 per hour	3.8%	44
$10.00-$10.99 per hour	19.0%	223
$11.00-11.99 per hour	10.4%	121
$12.00-12.99 per hour	8.0%	94
$13.00-13.99 per hour	3.7%	44
$14.00-14.99 per hour and over	8.6%	101
Unknown	20.1%	236
Average Number of Participants Employed per Month		**1172**

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

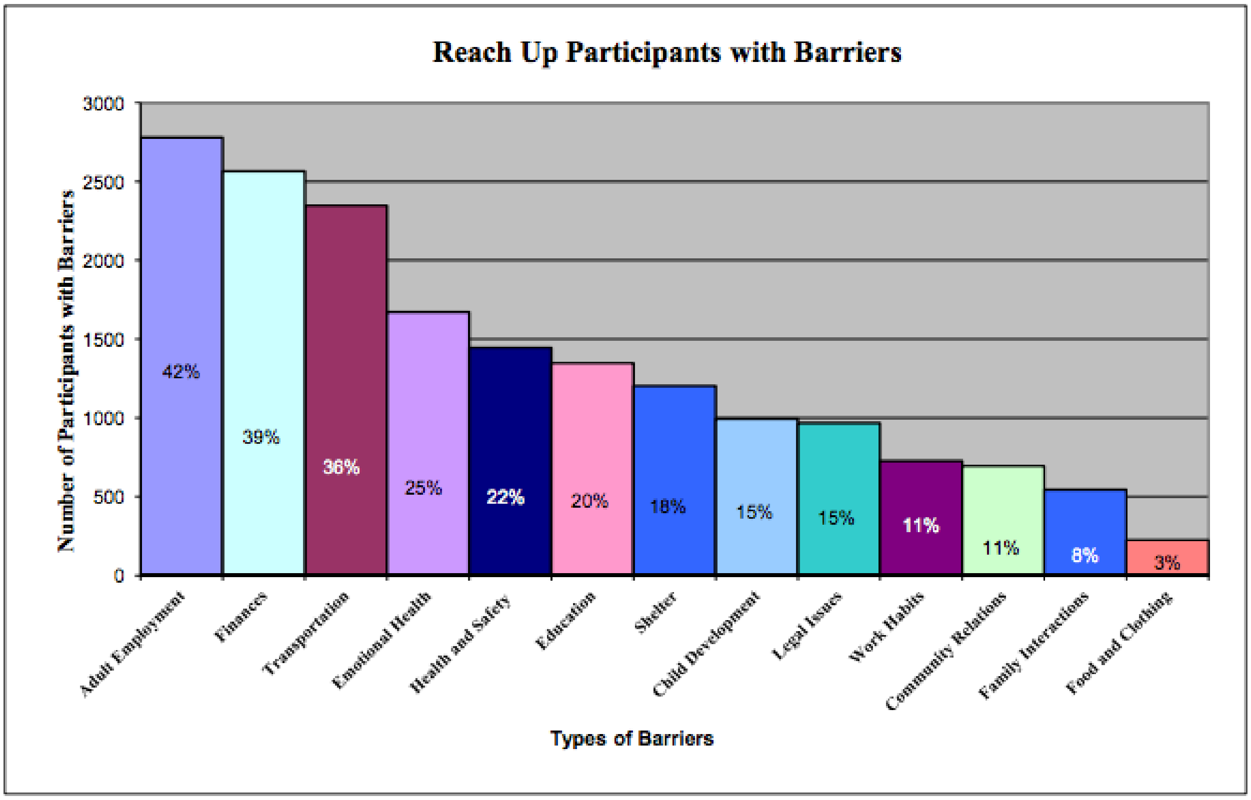
Source: Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017).

Reach Up Participant's Employment by Industry:
October 2015 - September 2016

Reach Up Participants Employed by Industry October 2015 through September 2016		
Industry	**Percentage in Each Industry**	**Average Number of Participants**
Services	45.9%	539
Retail Trade	13.3%	156
Transportation & Public Utilities	9.1%	106
Manufacturing	4.2%	50
Construction	1.6%	19
Government	1.0%	12
Wholesale Trade	0.8%	10
Agric./Forestry/Fishing/Mining	0.8%	10
Finance/Insurance/Real Estate	0.6%	7
Other/Unknown*	22.6%	265
Average Number of Participants Employed per Month	**1172**	

Source: Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017)

Appendix C
Employment Barriers Identified by Reach Up Participants:
October 2015 - September 2016



Source: Vermont Department for Children and Families, *Evaluation of Reach Up,* Erin Oalican, North Waterbury, Vermont: DCF, 2017, http://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2017.01.09.pdf (accessed February 18, 2017).

Appendix D

Childcare Financial Assistance Sliding Fee Scale (2016)

Percent of financial assistance paid by state	**Monthly income, family of 3 or fewer**	**Monthly income, family of 4**	**Monthly income, family of 5**	**Monthly income, family of 6 or more**
100%	$1,680	$2,025	$2,370	$2,715
99	1,745	2,102	2,460	2,817
98	1,788	2,155	2,521	2,887
97	1,833	2,207	2,583	2,959
96	1,876	2,260	2,645	3,029
95	1,934	2,331	2,727	3,123
90	2,014	2,428	2,840	3,252
85	2,095	2,522	2,951	3,381
80	2,181	2,629	3,076	3,523
75	2,270	2,734	3,197	3,663
70	2,356	2,839	3,322	3,804
65	2,444	2,946	3,444	3,945
60	2,531	3,049	3,568	4,086
55	2,619	3,155	3,690	4,226
50	2,706	3,260	3,814	4,369
45	2,793	3,367	3,936	4,508
40	2,881	3,470	4,060	4,649
35	2,970	3,575	4,183	4,791
30	3,055	3,682	4,307	4,933
25	3,142	3,787	4,428	5,072
20	3,230	3,891	4,552	5,213
15	3,318	3,997	4,675	5,356
10	5,040	6,075	7,110	8,145

Source: Vermont Department for Children and Families, Child Development Division, "Childcare Financial Assistance Sliding Fee Scale," Accessed March 1, 2017, http://dcf.vermont.gov/sites/dcf/files/CDD/Docs/ccfap/Sliding_Fee_Scales.pdf.

Appendix E

Reimbursement Rates for Licensed Childcare Providers
(Effective August 21, 2016)

Part-Time Care, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	$82.70	$86.84	$90.97	$99.24	$107.51	$115.78
Toddler	75.59	79.37	83.15	90.71	98.26	105.82
Preschool	73.42	77.09	80.76	88.10	95.44	102.79
School Age	71.22	74.78	78.34	85.46	92.58	99.70
Full Time Care, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	150.36	157.88	165.40	180.43	190.47	210.51
Toddler	137.43	144.30	151.18	164.92	178.66	192.41
Preschool	133.49	140.16	146.84	160.19	173.53	186.88
School Age	129.48	135.96	142.43	155.38	168.33	181.27
Extended Time, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	204.49	214.72	224.94	245.39	265.84	286.29
Toddler	186.91	196.25	205.60	224.29	242.98	261.67
Preschool	181.54	190.62	199.70	217.85	236.01	254.16
School Age	176.09	184.90	193.70	211.31	228.92	146.53

Source: Vermont Department for Children and Families, "Childcare Financial Assistance Program Provider Handbook," last accessed March 1, 2017, http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/Provider_Handbook.pdf.

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Reimbursement Rates for Registered Home Childcare Providers
(Effective August 21, 2016)

Part-Time Care, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	$66.69	$70.02	$73.36	$80.03	$86.70	$93.97
Toddler	62.32	65.43	68.55	74.78	81.01	87.24
Preschool	56.00	58.80	61.60	67.21	72.81	78.41
School Age	55.14	57.89	60.65	66.16	71.68	77.19
Full Time Care, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	121.25	127.31	133.38	145.50	157.63	169.75
Toddler	113.30	118.97	124.63	135.96	147.29	158.62
Preschool	101.83	106.92	112.01	122.19	132.37	142.56
School Age	97.99	102.89	107.79	117.59	127.39	137.19
Extended Time, Weekly Rates at 100% of Subsidy						
Age Category	**Base Rate**	**1 Star**	**2 Stars**	**3 Stars**	**4 Stars**	**5 Stars**
Infant	164.90	173.15	181.39	197.88	214.37	230.86
Toddler	154.09	161.79	169.50	184.91	200.31	215.72
Preschool	138.48	145.41	152.33	166.18	180.03	193.88
School Age	133.27	139.94	146.60	159.93	173.25	186.58

Source: Vermont Department for Children and Families, "Childcare Financial Assistance Program Provider Handbook," last accessed March 1, 2017, http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/Provider_Handbook.pdf.

Appendix F

2015 Market Rate Survey – Weekly Cost for Licensed Providers

2015 Market Rate Survey – Licensed Providers

Ages	Average Weekly Market Rates	Median (50th Percentile) Full Time Market Rates	75th Percentile Weekly Market Rates	State Base Payment Rate	Current Percentile of Market Rate State Base Payment Falls	State Rate for 4 STAR Programs	Current Percentile of Market Rates that 4 STAR Payment Falls	Programs with Provider Rate Agreement for Age Group	Programs with No Copayment at 100% CCFAP benefit based on Provider Rate Agreement
Full Time Weekly Care, Licensed Providers – Statewide Rate									
Infants (under 24 months)	$221.40	$215.63	$240.00	$141.25	1.08	183.63	14.05	185	17
Toddler (24-35 months)	214.04	209.16	233.00	137.43	0.99	178.66	13.37	202	22
Preschool (36-59 months)	200.77	192.48	221.88	133.49	4.14	173.53	23.10	290	60
School Age (5-13 years)*	184.62	177.57	205.94	129.48	6.99	168.33	39.86	286	69
Part Time Weekly Care, Licensed Providers – Statewide Rate									
Ages	**Average Weekly Market Rates**	**Median (50th Percentile) Full Time Market Rates**	**75th Percentile Weekly Market Rates**	**State Base Payment Rate**	**Current Percentile of Market Rate State Base Payment Falls**	**State Payment Rate for 4 STAR Programs**	**Current Percentile of Market Rates that 4 STAR Payment Falls**	**Programs with Provider Rate Agreement for Age Group**	**Programs with No Copayment at 100% CCFAP benefit based on Provider Rate Agreement**
Infants (under 24 months)	$155.52	$150.00	$180.00	$77.69	2.25	$101.00	8.99	178	12
Toddler (24-35 months)	149.84	150.00	176.50	75.59	3.06	98.26	7.65	196	20
Preschool (36-59 months)	135.99	125.00	166.00	73.42	5.98	95.44	18.94	301	50
School Age (5-13 years)*	104.13	86.00	125.00	71.21	18.21	92.58	54.63	313	113

*5-19 years for special needs children

Source: "2015 Vermont Childcare Market Rate Survey," *Vermont Department of Children and Families*, accessed March 5, 2017, http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_Report_2015.pdf.

2015 Market Rate Survey – Weekly Cost for Registered Home Care

Full Time Weekly Care, Registered Home Child Care – Statewide Rate									
Ages	**Average Weekly Market Rates**	**Median (50th Percentile) Full Time Market Rates**	**75th Percentile Weekly Market Rates**	**State Base Payment Rate**	**Current Percentile of Market Rate State Base Payment Falls**	**State Payment Rate for 4 STAR Programs**	**Current Percentile of Market Rates that 4 STAR Payment Falls**	**Programs with Provider Rate Agreement for Age Group**	**Programs with No Copayment at 100% CCFAP benefit based on Provider Rate Agreement**
Infants (under 24 months)	$157.79	$150.00	$175.00	$117.72	3.03	$153.03	38.15	595	92
Toddler (24-35 months)	150.90	143.00	165.00	113.30	3.70	147.29	50.42	595	79
Preschool (36-59 months)	149.01	140.00	160.00	101.83	3.01	132.37	36.89	599	42
School Age (5-13 years)*	137.98	135.00	150.00	97.99	7.01	127.39	25.30	585	96
Part Time Weekly Care, Registered Home Child Care – Statewide Rate									
Ages	**Average Weekly Market Rates**	**Median (50th Percentile) Full Time Market Rates**	**75th Percentile Weekly Market Rates**	**State Base Payment Rate**	**Current Percentile of Market Rate State Base Payment Falls**	**State Payment Rate for 4 STAR Programs**	**Current Percentile of Market Rates that 4 STAR Payment Falls**	**Programs with Provider Rate Agreement for Age Group**	**Programs with No Copayment at 100% CCFAP benefit based on Provider Rate Agreement**
Infants (under 24 months)	$110.89	$100.00	$135.00	$64.75	4.17	$84.17	29.04	575	91
Toddler (24-35 months)	106.18	100.00	125.00	62.32	5.18	81.01	29.19	579	57
Preschool (36-59 months)	104.22	100.00	125.00	56.00	3.43	72.81	16.30	583	39
School Age (5-13 years)*	88.37	75.00	100.00	55.14	13.36	71.68	29.79	584	115

Source: "2015 Vermont Childcare Market Rate Survey," *Vermont Department of Children and Families*, accessed March 5, 2017, http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_Report_2015.pdf.

Appendix G

Unemployment Insurance, August - December 2016:
Monthly Benefit Payouts, Initial Claims Filed, and Total Weeks Claimed

	August 2016	September 2016	October 2015	November 2016	December 2016
Benefits Paid (in millions)	4.91	3.16	3.41	4.44	5.9
UI Initial Claims	2,187	1,623	2,532	4,270	5,094
UI Weeks Claimed	17,823	11,687	13,778	17,134	21,310

Source: "Unemployment Insurance Summary," *Vermont Department of Labor*, September 2016, http://www.vtlmi.info/uc201609.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, October 2016, http://www.vtlmi.info/uc201610.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, November 2016, http://www.vtlmi.info/uc201611.pdf; "Unemployment Insurance Summary," *Vermont Department of Labor*, December 2016, http://www.vtlmi.info/uc201612.pdf.