



The
UNIVERSITY
of VERMONT

The Vermont Legislative Research Service

<http://www.uvm.edu/~vlrs/>

Contact: Professor Jack (Anthony) Gierzynski

Anthony.Gierzynski@uvm.edu

517 Old Mill, Burlington, VT 05405-4110



The Impact of Cuts to Reach Up and Supplemental Security Income

In 1996 President Bill Clinton signed into law the “Personal Responsibilities and Work Opportunities Act,” which was a welfare reform bill. As part of the act, Federal money is given to states as “block grants” via “Temporary Assistance to Needy Families (“TANF”). In 2001 Vermont used its block grant to implement Reach Up.¹ The purpose of Reach Up is to help families with children and pregnant women living beneath the federal poverty line through a number of services, such as work support, monthly income for basic necessities, and health insurance provisions.

Reach Up

Adults receiving Reach Up benefits are required to spend a certain number of hours a week either working or engaging in activities related to searching for a job.² Reach Up participants meet with a case manager to create a Family Development Plan in order to detail the steps to achieving goals, such as job placement and self-sufficiency.³ A family of 3 that receives Reach Up benefits will be granted an average of \$640 per month.⁴ Families living in counties with higher costs of living, such as Chittenden County, will receive more money per month in benefits than families of the same size living in other counties.⁵ Reach Up is combined with related programs to provide the maximum amount of assistance to struggling families. Reach First provides short-term financial assistance and services for families expecting to be self-sufficient in four months or less. For example, if an adult member of the household expects to return to work in the near future, or has received a job

¹ Vermont Legal Aid, Inc., “Testimony, Senate Health and Welfare Committee,” Vermont House of Representatives, March 28, 2013, Retrieved March 3, 2016,

<http://legislature.vermont.gov/committee/document/2014/27/Witness/Chris%20Curtis>.

² Vermont Department for Children and Families, “Reach Up,” Retrieved March 2, 2016,

<http://dcf.vermont.gov/benefits/reachup>.

³ Ibid.

⁴ Ibid.

⁵ Alicia Freese, “Reach Up By the Numbers,” *VTDigger.org*. February 25, 2013. Retrieved February 26, 2016, <http://vtdigger.org/2013/02/25/reach-up-by-the-numbers/>.

offer, Reach First can help provide assistance in the meantime.⁶ Reach Ahead, which was created in 2009, is designed to help families' transition from Reach Up, or from another program in Vermont, the Post-Secondary Education Program, to working. Reach Ahead provides financial assistance, childcare subsidies, and work support for up to 24 months.⁷ Finally, Child-Only Reach Up gives cash assistance to adult relatives or caretakers who care for children with little or no income. In order to receive cash assistance, caretakers must be acting in a parental role, but cannot be the biological, step, or adoptive parents of the child.⁸

As of September 2015, a total of 4,936 families in Vermont received Reach Up benefits. The Department for Children and Families spent \$2,123,592 on Reach Up benefits in September 2015.⁹ National TANF numbers indicate that as of 2013, 85.7% of adult recipients were women.¹⁰ Numbers from 2011 show that in Vermont, the percentage of adult recipients of TANF (Reach Up) was about 80%.¹¹ According to Reach Up Director, Erin Oalican, the most recent numbers indicate an even higher percentage of female heads of households. Reach Up's data expert reported "looking at Reach Up in its entirety (Child-Only, Reach First, Reach Ahead, and Reach Up), about 90% of head of households are women."¹²

Supplemental Security Income

Supplemental security income (SSI) is a supplemental Federal income program that is funded by general tax revenues.¹³ SSI is used to provide qualified recipients with money to meet basic needs for things such as food, shelter, and clothing. It is meant to help aged (65 or older), blind, or disabled citizens who have little to no income.¹⁴ Most commonly, a parent is the family member who receives SSI.¹⁵ In general, the head of house is an SSI

⁶ Vermont Department for Children and Families, "Reach First," Retrieved March 2, 2016, <http://dcf.vermont.gov/benefits/reachup/reach-first>.

⁷ Vermont Department for Children and Families, "Reach Ahead," Retrieved March 2, 2016, <http://dcf.vermont.gov/benefits/reachup/reach-ahead>.

⁸ Vermont Department for Children and Families, "Child-Only Reach Up," Retrieved March 1, 2016, <http://dcf.vermont.gov/benefits/reachup/child-only>.

⁹ Vermont Department for Children and Families, "Reach Up Families, Recipients, and Benefits By Vermont County For September 2015," October 15, 2015. Retrieved February 29, 2016, <http://dcf.vermont.gov/sites/DCF/files/ESD/Docs/RUCCounty.pdf>.

¹⁰ Gene Falk, "Temporary Assistance for Needy Families (TANF): Size and Characteristics of the Cash Assistance Caseload," *Congressional Research Service*, January 29, 2016. Retrieved February 29, 2016, [https://ia801306.us.archive.org/4/items/R43187TemporaryAssistanceforNeedyFamiliesTANFSizeandCharacteristicsoftheCashAssistanceCaseload-crs/R43187%20Temporary%20Assistance%20for%20Needy%20Families%20\(TANF\)%20Size%20and%20Characteristics%20of%20the%20Cash%20Assistance%20Caseload.pdf](https://ia801306.us.archive.org/4/items/R43187TemporaryAssistanceforNeedyFamiliesTANFSizeandCharacteristicsoftheCashAssistanceCaseload-crs/R43187%20Temporary%20Assistance%20for%20Needy%20Families%20(TANF)%20Size%20and%20Characteristics%20of%20the%20Cash%20Assistance%20Caseload.pdf).

¹¹ U.S. Department of Health & Human Services, "Appendix," *Administration for Children & Families*, Tables 19 & 20, Retrieved March 2, 2016, http://www.acf.hhs.gov/sites/default/files/ofa/appendix_vs_final.pdf

¹² Erin Oalican, e-mail message to Christopher Curtis of Vermont Legal Aid, Inc. March 31, 2016.

¹³ Social Security Administration, "What Is Supplemental Security Income?," 2016, Retrieved March 4, 2016, <https://www.ssa.gov/ssi/>.

¹⁴ Ibid.

¹⁵ Gene Falk, "Temporary Assistance for Needy Families (TANF): Size and Characteristics of the Cash Assistance Caseload."

recipient based on disability.¹⁶ This adult would meet the federal standard of being “unable to perform substantial gainful activity in the economy.”¹⁷ SSI is paid only to couples and individuals, with no additional benefits if they have children. States use TANF funds to make up the difference and provide benefits and money to the children of SSI parents. In cases where the family is a “child-only” family, in which the parent is in the home but is not an eligible SSI recipient, there tends to be older children in the family. In FY2013, 30.5% of TANF child-only families that were headed by an SSI receiving parent had a teenager as their youngest child.¹⁸

Chapin Hall at the University of Chicago released a report in 2012 that found that in homes that receive low rates of TANF for potentially eligible SSI parents or an ineligible immigrant parent, the minimal standard of living for children might not be met.¹⁹ This is important to note because the report recommended that special and explicit attention be given to TANF caseloads and recipients, especially those of “child only” families.²⁰ Child-only, SSI parent recipients accounted for 18.5% of the TANF cash assistance caseload by family and state in fiscal year 2013.²¹

Budget Cuts

Reach Up was cut \$1.6 million in the fiscal year 2016 budget²² (the legislature restored about \$100,000 of this in the 2016 session).²³ The initial cut was executed with the purpose of freeing up \$1.6 million in the budget to be saved and used elsewhere, if need be. Additionally, the administrators of the Reach Up program, the Department for Children and Families (DCF) proposed the cut with the hopes of bringing reach up “in line” with other state programs that provide benefits.²⁴ As a result of the cuts, 860 families that receive federal disability benefits (SSI) have seen their benefits decreased by an additional \$125 per month.²⁵ The \$1.6 million is relatively small in comparison to the overall budget, but the monthly cut of \$125 can significantly affect families with low income or no source of

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Jane Mauldon, Richard Speigman, Christina Sogar and Matthew Stagner, “TANF Child-Only Cases: Who Are They? What Policies Affect Them? What is Being Done?” Chapin Hall at the University of Chicago, December 11, 2012, accessed May 12, 2016 <http://www.chapinhall.org/research/report/tanf-child-only-cases-who-are-they-what-policies-affect-them-what-being-done>.

²⁰ Gene Falk, “Temporary Assistance for Needy Families (TANF): Size and Characteristics of the Cash Assistance Caseload.”

²¹ Ibid.

²² Keith McGilvery, “Vermont Legal Aid Sues over Reach-Up Cuts for People on Disability,” *WCAX*. July 27, 2015. Retrieved February 29, 2016, <http://www.wcax.com/story/29624761/vermont-legal-aid-sues-over-reach-up-cuts-for-people-on-disability>.

²³ Elizabeth Hewitt, “House and Senate lawmakers reach agreement on budget bill,” *VTDigger.org*, May 6, 2016, accessed May 12, 2016 <http://vtdigger.org/2016/05/06/house-and-senate-lawmakers-reach-agreement-on-budget-bill/>.

²⁴ Elizabeth Hewitt, “State Notifies Reach Up Recipients of \$125 a Month Reduction in Benefits,” *VTDigger.org*. July 19, 2015. Retrieved March 1, 2016, <http://vtdigger.org/2015/07/19/state-notifies-reach-up-recipients-of-125-a-month-reduction-in-benefits/>.

²⁵ Ibid.

income. Prior to the cuts, the SSI beneficiaries were not counted in Reach Up's calculation of monthly benefits. This means that if one member of a four-person household received SSI, then Reach Up had provided benefits as if it were a three-person household. The SSI recipient families have more income available to them than other families, but the fact that these families contain a disabled member is a considerable factor as well.

In July 2015, Vermont Legal Aid filed a lawsuit challenging the cuts. In November, the lawsuit was thrown out.²⁶ Judge William K. Sessions III found that the new law reducing public assistance to families with disabled parents accepting SSI is constitutional and does not violate federal law. In his closing statement Judge Sessions III agreed that "the law at issue in this case targets one of the most vulnerable populations in Vermont: disabled adults raising children in poverty. In an effort to achieve budgetary saving the Legislature has voted to decrease public aid to those families, resulting in what can only be further hardship for parents as they struggle to provide food and shelter for their children."²⁷

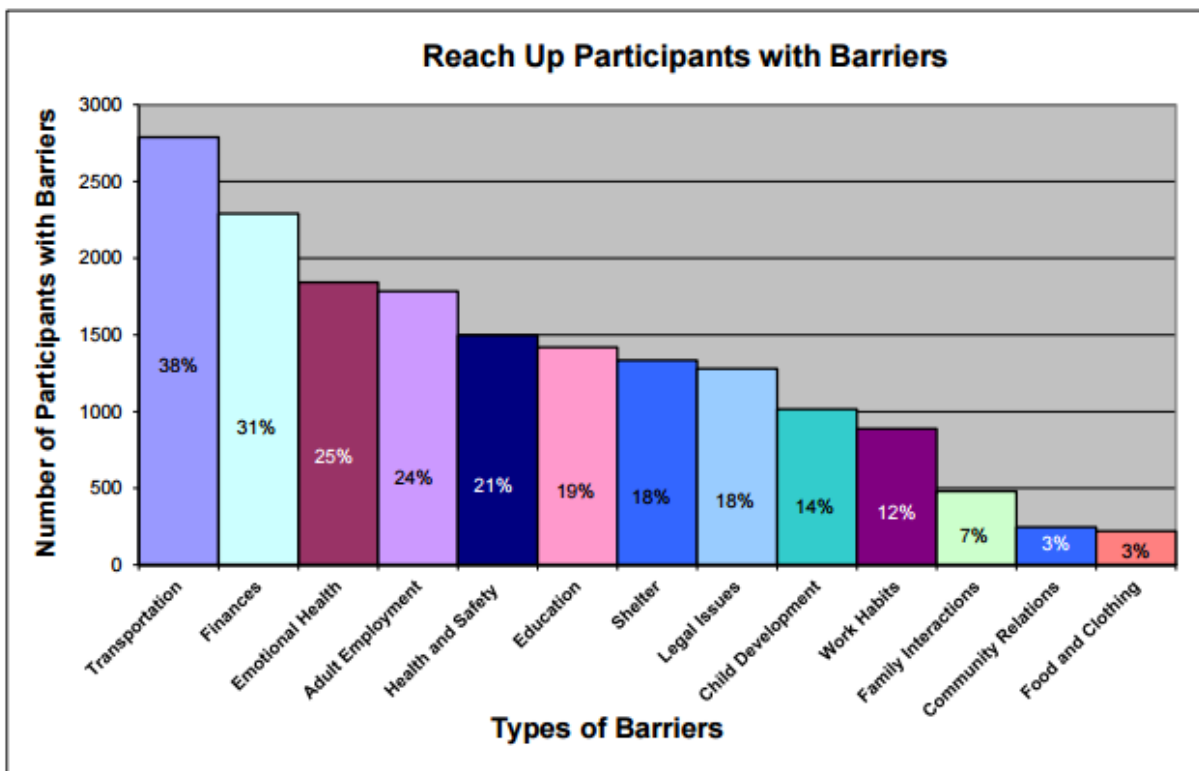
Impact of Cuts

According to the TANF data, the recipients for Reach Up have been predominately female, historically averaging around 80%. Thus, cutting Reach Up benefits significantly affects women. The Reach Up program is a bridge to assist people and families out of poverty since 2001. It stands to reason that reduced benefits will make it more difficult for Reach Up recipients to overcome the problems that impair their ability to provide for their families. Some of the top problems facing Reach Up members are: transportation, finances, emotional health, and employment.²⁸ Transportation barriers can range from not having a driver's license, no means of transportation, or a need for car repairs. Financial problems can range from severe debt problems, little to no budgeting skills, to bankruptcy. Emotional health problems consist of alcohol abuse, drug abuse, and mental health issues. Employment barriers consist of poor or no work history and lack of employment opportunities.

²⁶ VLA Press Release, "Court Upholds Benefit Cuts to Low-Income Disabled Families, Dismisses Lawsuit 'Poor Tax' Will Take Effect In December," *Vermont Legal Aid*. November 10, 2015. Retrieved February 29, 2016, <http://www.vtlegalaid.org/vla-press-release-november-10-2015>.

²⁷ Ibid.

²⁸ Ken Schatz, "Report to The Vermont Legislature- Evaluation of Reach Up," *Vermont Agency of Human Services Department for Children and Families*, January 31, 2016, Retrieved February 29, 2016, <http://legislature.vermont.gov/assets/Legislative-Reports/2016.01.31-Reach-Up-Annual-Report.pdf>.



Source: Ken Schatz, "Report to The Vermont Legislature- Evaluation of Reach Up," *Vermont Agency of Human Services Department for Children and Families*, January 31, 2016, Retrieved February 29, 2016, <http://legislature.vermont.gov/assets/Legislative-Reports/2016.01.31-Reach-Up-Annual-Report.pdf>.

Conclusion

The cuts to the Reach Up program affect many families across the state. As of 2011, 80% of the heads of household in Vermont that receive Reach Up benefits were women. Today, that number is likely closer to 90%.²⁹ The budget cuts are mostly affecting single mothers, but that does not mean that other families are not affected as well.

This report was completed on May 12, 2016 by Adrian Willing, Cassidy Lang, and Zhenhui Chen under the supervision of Professors Jack Gierzynski, Robert Bartlett and Eileen Burgin in response to a request from Representative Molly Burke.

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

Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Jack Gierzynski, Professor Robert Bartlett and Professor Eileen Burgin. The material contained in the report does not reflect the official policy of the University of Vermont.

²⁹ Erin Oalican, e-mail message to Christopher Curtis of Vermont Legal Aid, Inc. March 31, 2016.