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STATE OF VERMONT
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HOUSE COMMITTEE ON GENERAL,
HOUSING, AND MILITARY AFFAIRS

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MEMORANDUM

To: Rep. Kitty Toll, House Committee on Appropriations
From: Rep. Tom Stevens, on behalf of the Committee
Date: February 28, 2019
Subject: FY2020 Budget Proposal

Thank you for the opportunity to review the provisions of the Governor's Proposed FY 2020 State Budget that relate to this Committee's subject area.

WEATHERIZATION

The Committee approves the aspects of the Governor's Climate Commission that relate to weatherization, especially to the notion of doubling the number of homes that are to be weatherized through the Low Income Weatherization Assistance Program. To that end, we support the one-time appropriation noted in Section C.100(f) of \$500,000. We also support the reauthorization of the existing revenue stream for the Weatherization Assistance Program (WAP), and ask that the proceeds from that Special Fund continue to flow into the WAP for WAP purposes, and not be diverted to other, unknown purposes. With respect to the Climate Commission's Recommendation #1, we support doubling low-income weatherization through the State Weatherization Program. In terms of its action plans, we support that the Governor and the Legislature responding to Action Step suggestion #1, wherein a funding source be determined as soon as possible in order to create the resources needed to meet the funding requirements of this initiative. We also further support funding and implementation for programs that will help Vermonters in the 60-120% AMI category access these same upgrades.

The Committee also asks House Appropriations to strongly consider an appropriation of \$1.25M dedicated to the HEAT Squad Program administered by NeighborWorks of Western Vermont. **We understand that this request is for one-time funding, which can be either appropriated at once, or over five years.** This appropriation would enhance a 5-year expansion of the weatherization services provided by the HEAT Squad. Currently, the HEAT Squad serves 8 counties (Rutland, Windham, Windsor, Bennington, Addison, Orleans, Essex & Caledonia), and, while it serves all income classes, it focuses on the demographic that is most in need of this service — families that are 80% to 120% of Area Median Income.

WEATHERIZATION (continued)

This is the income bracket most difficult to serve — those Vermonters who do not qualify for free Low Income Weatherization services, but do not have the resources to finance retrofits to their homes to make them warm, safe, dry and healthy. This appropriation will support the upfront investment in staff and the development of relationships with contractors and community partners. According to their business plan, the HEAT Squad is expected to become self-sufficient as it scales up to serve the entire State.

PROPERTY TRANSFER TAX

The Committee does not support the appropriations as submitted by the Governor and reflected in Section D.100. This memo will speak specifically to Sec. D.100 (a)(2) and (a)(2)(A), as it pertains to the appropriation from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board.

As a rule, we oppose the diversion of any funds from the VHCTF for purposes other than what they were intended in 10 V.S.A. § 312. The housing crisis has not abated in Vermont, and the organizations that are actively building affordable housing are the ones funded with money derived from the Housing and Conservation Trust Fund. The \$10 million diverted this year alone could fund the building of as much housing as the \$37 million housing bond is expected to fund, and we wouldn't owe another \$50 million in bond payments over the next 20 years (which also limits our building capacity). If we approve the Governor's recommend, over \$60 million has been diverted from the VHCTF over the last 20 years, which, if used strictly for building, would have created well over \$500 million in new construction. This translates to hundreds of units of affordable housing placed all over the state that would alleviate or stabilize homelessness, provide safe haven for those experiencing domestic violence, drug abuse, and for Vermonters who are struggling to simply raise their income. The proven benefits of stable housing include better education outcomes for children, healthier children and parents, less reliance on crisis-oriented social programs, as well as an increase in economic development in construction and local businesses, as well as state and local tax revenues.

LOTTERY

We understand the appropriation for the gambling addiction program has been reduced from \$150,000 to \$100,000. We have not had the opportunity to discuss this with the Department of Liquor and Lottery or the stakeholders who receive the funds and services of the programs developed with this appropriation. We include this comment now for your information.

NATIONAL GUARD

The Committee agrees in concept with continuing the National Guard Tuition Benefit Program. Initial reports indicate that the program has seen success in recruiting in its early months, but we are unable to determine at this date if the requested appropriation increase is accurate and needed at this time. Is this something that can be highlighted and revisited later in the session, when students have made their college choice and have applied for the benefit, or perhaps this fall when we see the outcome of a student's choice and their success in joining the Guard between graduation and the beginning of the school year?

SASH

The Committee does not support the proposed \$541,947 cut in the appropriation to the highly successful SASH program. This program has grown successfully over the past several years with the requisite state support, and to cut the state contribution of 55% now would be detrimental to its future success. SASH is a hybrid housing and human service program, and its creation, growth and success has become a national model for reducing care costs for elderly Vermonters by keeping them in their home with necessary services. It currently serves over 5,000 elders at 140 scattered housing sites, enabling them to live independently and avoid the higher costs of institutional care. When all expenses are toted up, SASH services represent a savings-per-patient of over \$1,200 annually. We strongly disagree with any recommended cut to this valuable and essential program.

GENERAL ASSISTANCE

We received difficult testimony from DCF Family Services and from Economic Services regarding the increase in need for services included in General Assistance. After several years of tackling issues and conditions related to poverty, eviction, cold weather, addiction and domestic violence, it is clear that solutions are a moving target. A warm winter several years ago presented an impression that certain base numbers relating to homelessness were improving, but that was an illusion, as the winters since have been extremely cold. A dip in usage of shelters for the cold weather exemption, or for domestic violence, was short-lived and those shelters are now stretched to a capacity where stays have been extended from a “normal” three weeks to an “abnormal” six months, creating a bottleneck up and down the crisis-reaction system.

Most troubling is the increase in hotel vouchers. After a short period of relief due to programs that are still effective, it is clear that these programs are overwhelmed by the increase in need. This year, the Department is seeing an increase of 10% in their caseload, and an increase of the average hotel stay.

The Department, while working to reformulate how it delivers its services after 50 plus years, is constantly in crisis mode — last year’s deficits were rolled into this year’s budgets. Their work on reform has been delayed until spring, and their needs are growing in the meantime.

Specifically, we support the language in E.316 and E.321, and we support providing the appropriation needed for the Department to catch their budget up to their current need.

We also support the language in E.321.1 and E.325, and ask you to support the request of Legal Aid to provide more funding (\$400,000 this year) for their eviction prevention program and for their increased staffing need. We found their testimony convincing and their program, if funded, can keep tenants in their homes and landlords paid. It can also foster the provision of the services needed to make sure issues related to the potential eviction, which are primarily economic.

HOMELESSNESS

In conjunction with the troubling testimony from DCF/OEO about the status of our crisis services, we heard that we have lost approximately 180 specialized housing vouchers because we haven't been able to guarantee funding for the necessary services needed to qualify for them. A state service match could have provided permanent supportive housing for 180 homeless Vermonters and their families. Appropriate funding that provides supportive housing to the homeless should be increased to avoid the further loss of precious federal resources.

To that end, the Committee recommends the following increases: \$275,000 to Family Supportive Housing so that it may expand to two more counties; \$500,000 to Housing Opportunity Grants in order to provide additional case management and supportive services and \$500,000 to Pathways Vermont in order to expand their successful Housing First model and supportive services to currently underserved counties.

This Committee appreciates the efforts of the Appropriations Committee to find the many ways of threading the needles of funding to provide services in the many ways asked, and to its attention to the needs of the poor and vulnerable, children and elders, with the tools available. And we thank you for the opportunity to comment on the areas of the budget that affect the policies that come from the General, Housing and Military Affairs Committee.