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SERVICES

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MEMORANDUM

To: Rep. Kitty Toll, Chair, House Committee on Appropriations
From: Rep. Ann Pugh, Chair, House Committee on Human Services
Cc: Rep. Mitzi Johnson, Speaker, House of Representatives
Date: February 27, 2019
Subject: Recommendations on Governor's Proposed FY20 Budget

As requested, the House Committee on Human Services (Committee) has reviewed provisions of the Governor's proposed fiscal year 2020 budget. The Committee thanks the House Committee on Appropriations for the opportunity to comment on these provisions.

In reviewing the budget and making recommendations, the Committee aims to balance available resources with the following policy goals:

- to ensure that vulnerable Vermonters are safe and protected;
- to ensure that systems are maintained to assist Vermonters in moving out of poverty;
- to ensure that the General Assembly addresses problems and removes barriers that can lead to even greater costs to the State; and
- to ensure that all Vermonters have access to services and supports that will enable them to attain their highest level of independence and realize their potential.

Department of Disabilities, Aging, and Independent Living (DAIL)

Adult Services Division: The Committee understands that the \$150,000 reduction in the Attendant Services Program will not reduce any current services to existing recipients. It leaves sufficient room in the budget for potential changes to existing recipients services in the future. However, the program has been "frozen" from new applicants for some time and we suggest that DAIL evaluate the potential to re-open the program on a limited basis within the funds available. This program was slated for complete elimination in the Governor's proposed FY19 budget, and that proposal was not approved by the Legislature.

The Committee is supportive of the increases for personal care attendants covered under the State's negotiated agreement with ASFCME in the amount of \$133,503. The Administration is proposing a \$541,947 reduction to the SASH program. This represents

an approximate 50% reduction in the funding from DAIL to Cathedral Square which manages the program statewide. DAIL indicated that the majority of these cuts are slated to come from the former HASS grants and the designated regional housing organizations.

Briefly, the SASH program serves 54,000 individuals in 140 public housing sites around the state at a cost of \$3.78 million through OneCare Vermont, plus the administrative support currently funded in DAIL.

The Committee recommends restoring the Administration's cut to the HASS programs (\$325,000 from SASH) for FY20 with the use of one-time dollars. This affects 14 housing sites across the state with grants ranging from \$4,400 to \$44,000 per site. During FY20 we recommend that the parties work together to either reallocate these services through DVHA/OneCare or phase out of this program.

The other major part of this reduction (\$120,000) would be intended to eliminate funding for the designated regional housing organizations (\$20,000 per organization) who coordinate the SASH program at the regional level. The Committee recommends restoring the cut designated for these local housing organizations as it is critical to the overall success of the SASH program statewide.

Finally, we again recommend that the full SASH program be completely subsumed by the Department of Vermont Health Access' OneCare contract and would suggest specific language be included to direct AHS to achieve this by FY21.

The Traumatic Brain Injury program is experiencing a decrease in the number of individuals served and therefore a reduction of \$325,168 is recommended. DAIL reports that this leaves sufficient room for additional recipients if the need arises.

The Choices for Care Program (CFC) includes statutorily required increases for nursing facilities but does not include any increases for home and community-based services. The Committee finds the lack of inclusion of COLA increases for community-based providers to be troublesome. The CFC budget includes sufficient funds for caseload and also addresses increases needed for the negotiated ASFCME agreement for personal care attendants. The CFC program has an approximate \$2,000,000 carry forward that rolls over each year; this is a potential funding source for the COLA increases for community-based providers. The Committee also understands that \$100,000 was used for emergency financial relief of nursing facilities and finds that consistent with the intent of language passed last legislative session. The Committee also supports increasing home-delivered meals by utilizing the existing \$124,000 in general funds (GF) to level federal funds through Global Commitment.

The personal needs allowance (PNA) for Medicaid recipients in nursing homes has not changed since 2001. Under H.85, those 1671 patients would get a \$25 per month increase beginning Jan. 1, 2020. The 2020 GF cost is \$122,897. Although the PNA is technically paid by Aid to the Aged, Blind, and Disabled (AABD), we believe this cost should be reflected in DAIL's budget. See below in the section labeled AABD.

To increase transparency in the Choices for Care long term care services budget, the Committee recommends moving it from the DVHA budget to the DAIL budget, where the program is managed. This would make it consistent with the Global Commitment budgeting in other programs within AHS, such as the Department of Mental

Health (DMH) and the Developmental Disabilities Services Division. The Committee believes the budgeted funds for services are best contained in the policy department where control of the program is located. This transfer is net neutral and requires no additional state or federal resources. We appreciate the Appropriations Committee putting this language in the FY18 and FY19 budget bill and would encourage it to be included again this year.

Division for the Blind and Visually Impaired: The Committee supports the increase of \$60,000 for services provided for Vermonters who are blind or otherwise visually impaired.

Division of Vocational Rehabilitation: The Committee has no specific recommendations.

Developmental Disabilities Services Division: The Committee supports the proposed ASFCME collective bargaining agreement increase of \$793,688 plus \$828,964; this provides small salary increases for personal care type employees who work for service recipients and their families. These are not employees of designated or specialized service agencies. The FY19 budget did not provide resources for salary and contract increases for those individuals who work or contract for designated agencies (DAs) or specialized service agencies (SSAs); however, every other long term care provider group did receive a 2% increase. We are deeply concerned about the message this sends regarding the value of people with developmental disabilities, their families, and those that support them.

The caseload increases for new clients or changes to existing clients who have new needs is based on a three-year average which has been used for over a decade. This has proven to be an effective method to deal with highs and lows of caseload needs. DAIL's budget has again used this method, however, it has also made an adjustment to the formula by reducing \$541,947 and \$707,045. It appears that this will not result in the loss of any services, nor the loss of access to services for new recipients. The Committee recommends that the \$541,947 and the \$707,045 noted above be used to contribute towards a 2% cost of living (excluding individuals paid through ARIS); the total cost of a 2% adjustment would be approximately \$3,412,190. This would provide parity with all other long-term services and supports providers that were dealt with in the FY19 budget.

Finally, with regard to **Sec. E.333** relating to DAIL Developmental Services Payment Reform, the Committee offers the following recommendations:

- a) Payments made to Designated Agencies or Specialized Services Agencies to support Vermonters with developmental disabilities shall only be reduced if the care needs of the individual should change; and
- b) People with developmental disabilities served under the Global Commitment Waiver shall continue to have individualized budgets.

Department for Children and Families (DCF)

Aid to the Aged, Blind, and Disabled (AABD): The Committee passed H.85 on a unanimous vote. This bill would increase the personal needs allowance of persons in nursing homes who receive Medicaid. The \$25/month increase slated to begin Jan. 1,

2020 will add \$122,897 in GF. See also the discussion on the personal needs allowance in the DAIL, Adult Services Division section.

Family Services Division (FSD): The Governor's proposed budget includes \$2,000,000 in new GF money to add positions to address the caseload of children coming into state custody. After meeting with FSD, we believe that the staffing needs would be better served by use of case aides to relieve the time pressures on family service workers. Specifically, the Committee recommends that the existing 22 temporary case aides be converted to full-time, full benefit positions. In addition, we would add another five case aides to bring the total to 27. We understand that this will require about \$504,000 in new GF dollars when added to the current appropriation for temporary aides. The Committee recommends against adding new family service worker positions or new family service supervisor positions.

The Committee also supports the FSD proposal to increase the foster care case rate by \$2.67 per day. The current average rate is \$22.08, and it has not increased since 2014. This will make it easier to recruit and keep foster families. The formal proposal from FSD shows the cost of this change as \$322,379 GF.

FSD has also proposed to add three new resource coordinator positions to support foster families. We would support one or more of these positions if there is enough money, but we have other items which come higher on our priority list. We believe that appropriation to these items would go further to support the needs of families with young children.

We recommend using the balance of the \$2,000,000 in new GF as follows:

- a) \$800,000 to the Parent Child Centers to continue on-site Reach Up casework (see Economic Services Division below).
- b) \$309,714 to restore full funding to Children's Integrated Services This will allow reimbursement rates to providers to be increased to a level where services can realistically be delivered to children who need them. (see Child Development Division below).

Child Development Division: The Committee examined the issue of underutilization of the Children's Integrated Services (CIS) program. The administration is proposing that the General Assembly not appropriate funds that are projected to go unused due to unresolved Medicaid issues. CIS is underutilized by \$671,393; however, only \$309,714 is available to the state because the remainder are matched federal Medicaid dollars. The Committee believes CIS is most likely underutilized because providers such as speech language therapists, occupational therapists, physical therapists, and early interventionists are underpaid and inaccessible. The Committee believes the unspent CIS funds could be used to provide increased payment to these providers.

With regards to **Sec. B.1101(e)** of the proposed budget, the Committee is exploring a number of bills and legislative proposals regarding the funding of child care and the Child Care Financial Assistance Program (CCFAP). At this time, the Committee does not support the language as proposed as it is part of a larger discussion of child care policy amongst the Committee.

Similarly, the Committee does not support the language of **Sec. E.318** as proposed, as the Committee is exploring legislative proposals in this area as part of a larger discussion of child care. The Committee feels that the dollars proposed in that section should remain earmarked for child care.

Economic Services Division:

Parent Child Centers (PCCs):

The state's 15 PCCs currently have Reach Up case worker capacity in-house as a strategy to provide holistic, wrap-around economic services to increase work participation rates among the most impoverished, vulnerable Vermonters. The work of the PCCs reduces child custody rates, fights addiction, limits impact on vulnerable children and families, promotes healthy child development and access to early care and education, and continues to make progress on family safety and stability.

Despite decreased caseload numbers provided by DCF, the Committee is not supportive of a \$1.6 million cut that would remove Reach Up case management from the PCCs. We acknowledge the vital importance of a "one-stop-shop" point of service for Reach Up participants to receive their benefits as well as a range of other intersecting services. Visiting several PCCs, including Lund, we witnessed the dramatic ease of use and efficiency in keeping women in structured substance abuse disorder treatment, as well as child care of their babies, as opposed to spending unproductive hours navigating Reach Up benefits at the district office. We also recognize generally higher "work participation rate" percentages at the PCCs (compared to the state and DCF district offices) from initial data gathered. Lastly, we maintain concerns about reducing this case management onsite at the PCCs with predictions of an economic downturn in the short-term.

Vermont Refugee Resettlement Program (VRRP):

Changes to federal law, effective Oct. 1, 2010, gave the State of Vermont the ability to serve newly-arrived refugees under its TANF (Reach Up) program. As a result, the state made the decision to award USCRI Vermont a contract to provide Reach Up case management and employment services to refugees and other New Americans. USCRI Vermont has provided one-stop-shop, wrap-around services with "work participation rates" among its clients well above the district and state averages. Despite the perception that refugee resettlement is on the decline due to current federal restrictions, in Vermont, resettlement continues robustly, with 32 arrivals in February and 11 planned for March from Congolese and Burmese communities.

Because of VRRP's unique role as the central point of contact in the State of Vermont for arriving refugees and New Americans, and because of the range of translation services they provide onsite, and because of its depth of cultural competency relative to the issues of diverse cultures and their resettlement needs, the Committee recommends that VRRP's \$80,000 funding for Reach Up case management be maintained in full and carved out as a separate line item from the PCC allocation, so as to distinguish its unique function.

Reach Up: Given the decline in the Reach Up caseload, we are disappointed that the administration is still using 2004 figures to calculate the ratable reduction. This means that the grants to Reach Up families give them only 34% of a subsistence budget.

The Committee recommends adding language to the FY20 budget to achieve two policy goals. First the Committee recommends amending 33 V.S.A. § 1122(e) to permit both parents in two-parent households to participate in the Postsecondary Education Program:

Sec. X. 33 V.S.A. § 1122(e) is amended to read:

(e) All financially eligible families who apply to participate in the Postsecondary Education Program will be considered for admission provided that they meet all of the following criteria:

~~(1) No more than one parent per family may participate at the same time.~~

* * *

Second, the Committee recommends amending the definition of “parent” in the definitions section of the Reach Up statute to reflect changes to the Vermont Parentage Act, 15C V.S.A. § 101 *et seq.*:

Sec. X. 33 V.S.A. § 1102 is amended to read:

(15) “Parent” means: ~~a biological parent, stepparent, adoptive parent, or pregnant individual.~~

(A) the same as in 15C V.S.A. § 102(16);

(B) stepparents; and

(C) pregnant individuals.

In addition, the Committee respectfully requests that the proposed language in **Sec. E.316.1** of the proposed budget, regarding the SNAP Education and Training Cost Savings Initiatives, be struck.

Office of Economic Opportunity:

Weatherization:

The Committee does not support the budget proposal relating to the weatherization program. The Committee recommends that \$600,000 stay in the weatherization program line and be targeted to weatherize homes primarily. It is the stance of the Committee that any dollars needed for administrative purposes be found within the agency itself.

Further, the Committee supports re-authorization of the Home Weatherization Assistance Program, and recommends that the following language be included in the FY20 budget to that effect:

Sec. X. 33 V.S.A. § 2502 is amended to read:

§ 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

(a) The Director of the State Office of Economic Opportunity shall administer the Home Weatherization Assistance Program under such rules, regulations, funding, and funding requirements as may be imposed by federal law.

(b) In addition, the Director shall supplement, or supplant, any federal program with the State Home Weatherization Assistance Program.

(1) The State program shall provide an enhanced weatherization assistance amount exceeding the federal per unit limit allowing amounts up to an average of ~~\$8,000.00~~ \$8,500.00 per unit allocated on a cost-effective basis. The allowable average per unit may be adjusted to account for the lower cost per unit of multi-family buildings. In units where costs exceed the allowable average by more than 25 percent, prior approval of the Director of the State Economic Opportunity Office shall be required before work commences. This amount shall be adjusted annually by increasing the last year's amount by the percentage increase in the Consumer Price Index for the previous year.

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Vermont Matched Savings Program (formerly Individual Development Accounts Program):

The Committee supports the proposed \$170,300 capital investment in the Vermont Matched Savings Program, with the understanding that the Community Action Programs (CAPs) raise \$35,000 of their own funding in concert with the above-mentioned state funds. The Committee recommends the use of this funding be flexible for new people coming into the program or participants already enrolled to provide for a two to one match.

Micro Business Development Program (MBDP):

The Committee accepts the proposed budget in this program.

Workforce Development/Training Initiatives:

We recommend the exploration of Department of Labor (DOL) training funds to be used to enhance CAPs workforce development efforts. If DOL is limited in the

funding it can provide, perhaps some of the \$500,000 weatherization dollars could be used for this training instead.

Financial Education, Coaching and Credit Building Services:

We recommend finding a way to meld this program into the Vermont Matched Savings Program and MBDP programs; perhaps some of the \$500,000 weatherization dollars could be used here as economic development purposes. If this proposal were adopted, there should be a condition that the CAPs raise some matching money.

The remainder of the Office of Economic Opportunity budget is satisfactory to the Committee.

Department of Health (VDH):

The Committee notes that there are a number existing home visiting programs operating within the State. The Maternal Early Childhood Sustained Home-visiting (MESCH) program utilizes evidence-based programming that provides early intervention, home visiting and wrap-around services for families with newborn children. We believe that there is a need for both evidence-based and evidence informed home visiting programs and we support adequately funding agencies providing both of these services.

Alcohol and Drug Abuse Programs (ADAP)

While the Committee supports the majority of the changes proposed in the ADAP budget, Committee members would like to fund programs with one-time dollars in anticipation of a regulated market for retail marijuana. Specifically, the Committee recommends funding an initiative outlined on page 7 of the Education and Prevention Subcommittee Final Report of the Governor's Marijuana Advisory Commission. This initiative proposes to use \$300,000 in one-time dollars to research, develop, implement, and evaluate statewide media and communications strategies. This program would increase awareness and understanding of cannabis use, health effects on youth and young adults, and cannabis use during pregnancy.

The Committee recommends an additional appropriation to the State's recovery centers. The Committee would prefer to add additional funding to the base budget in this program. In consultation with the Vermont Recovery Network, the Department shall distribute these funds equally among all 12 recovery centers. The Committee proposes funding this initiative by allocating 7% of the funds collected by the Attorney General that exceed \$45 million in any year.

Sec. D.104: The Committee supports the technical correction proposed to 32 V.S.A. § 308b regarding references to the Comprehensive Annual Financial Report in Medicaid expense reserve adjustments.