



STATE OF VERMONT
HOUSE OF REPRESENTATIVES

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 21, 2020
Subject: Recommendations on Governor's FY21 budget

As requested, the House Committee on Human Services (Committee) has reviewed provisions of the Governor's proposed fiscal year 2021 budget. The Committee thanks the House Committee on Appropriations for the opportunity to comment on these provisions.

The Committee notes that a level-funded budget is a misnomer as it signifies an overall decrease in spending. This is particularly true with regard to the erosion of Medicaid rates across all contracted services in State government. Multiple contract service providers have not seen an increase in their rates or grants in numerous years.

Department for Children and Families—Child Development Division

• **Children's Integrated Services**

The Committee's highest priority within the Department for Children and Families' Child Development Division budget is fully funding the higher case rate within Children's Integrated Services (CIS). That case rate was recommended by the recent independent analysis of the program. This investment is especially advantageous as the \$1.2 million from the General Fund is subject to a federal match. Additionally, the increase in the bundle would allow the providers to cover the costs of the specialized childcare coordinators; hence a reduction of \$350,000.00.

The Committee supports this recommendation on a vote of 11-0-0.

- **Child Care Financial Assistance Program**

The Committee supports the Governor’s recommended appropriation for the Child Care Financial Assistance Program.

The Committee supports this proposal on a vote of 9-2-0.

Department for Children and Families—Family Services Division

- **Woodside Juvenile Rehabilitation Center**

As the Department for Children and Families’ request for proposals regarding the proposed closure of the Woodside Juvenile Rehabilitation Center is not due until February 28th, the Committee does not feel prepared to make a comprehensive recommendation at this time. It is clear, however, that the proposed closure of Woodside by July 1st of this year is unrealistic and that it will likely need to operate with a reduced staff for the time being.

The Committee supports this proposal on a vote of 11-0-0.

Department for Children and Families—Office of Economic Development

- **General Assistance Emergency Housing**

In concept, the Committee supports the Governor’s proposal to decentralize the General Assistance emergency housing services and shelter services. However, the Committee believes that regional service providers would benefit from additional time to plan for the transition, as well as a soft rollout prior to assuming full responsibility. To that end, the Committee suggests an additional year of further planning.

- *A one-year delay in implementing a new program/structure.*
- *Input by stakeholders across the State is needed; and deeper clarification of DCF/OEO’s new rules and guidelines.*
- *Additional time required to add capacity to communities.*
- *Exploration of fundamental question by the Legislature: is it appropriate for the State to relinquish its long-time role as agency of “last resort” for homeless and vulnerable Vermonters?*
- *Long-term plan for Vermont 2-11 and its role as a critical component linking Vermonters to homeless services.*
- *The full continuum of care for homeless individuals must be maintained.*

The Committee support this recommendation by a vote of 11-0-0.

- **Micro Business Development and Individual Development Account Programs**

The Committee rejects the proposal to zero out the funding for the Micro Business Development Program and the Individual Development Accounts Program. These are proven strategies to reduce poverty, build the economy, and create economic security for Vermonters with low income. It further recommends that \$463,640 be allocated to the Department for Children and Families’ Office of Economic Opportunity for distribution to the Community Action Agencies: \$293,339 to the Micro Business Development and \$170,301 to the Vermont Matched Savings and Financial Capabilities Program (formerly IDA) in order to be used flexibly to accommodate the different regional economic program needs of the five Community Action Agencies. The Committee does not support the governor’s proposed language changes to the statute in Sec. E.325, 13 V.S.A. § 3722, or Sec. E.323, 33 V.S.A. § 1123(c)(2). In addition, the Committee recommends changing the name of the Individual Development Savings Program to the “Vermont Matched Savings and Financial Capabilities Program” as follows:

Sec. X. 16 V.S.A. § 2878a is amended to read:

§ 2878a. PARTICIPATION AGREEMENTS FOR INVESTMENT PLAN;
~~INDIVIDUAL DEVELOPMENT INVESTMENT ACCOUNTS~~ VERMONT
 MATCHED SAVINGS AND FINANCIAL CAPABILITIES PROGRAM

The Corporation may participate in the ~~Individual Development Investment Program~~
Vermont Matched Savings and Financial Capabilities Program established under 33
 V.S.A. § 1123, in accordance with the rules of the Agency of Human Services adopted
 thereunder, in connection with an individual or family who, at the time of depositing
 funds into an account created pursuant to a Vermont Higher Education Investment Plan,
 receives public assistance or is otherwise an eligible saver under 33 V.S.A. § 1123.

Sec. Y. 33 V.S.A. § 1123 is amended to read:

§ 1123. ~~INDIVIDUAL DEVELOPMENT SAVINGS~~ VERMONT MATCHED
 SAVINGS AND FINANCIAL CAPABILITIES PROGRAM

(a) As used in this section:

* * *

(9) “Fund” means the ~~Individual Development Matching~~ Vermont Matched Savings and Financial Capabilities Grant Special Fund established by this section.

* * *

(11) “Program” means the ~~Individual Development Savings~~ Vermont Matched Savings and Financial Capabilities Program established by this section.

* * *

(b) The Agency shall establish by rule standards and procedures to implement and administer the ~~Individual Development Savings~~ Vermont Matched Savings and Financial Capabilities Program. The Program may include a program with eligibility criteria that satisfy federal funding requirements or the requirements of other funding sources that are more restrictive than those established in subsection (a) of this section, and a program funded by State appropriations and other revenue. Such standards and procedures shall include the following:

* * *

(8) The Agency shall establish by rule any other standards and procedures necessary or desirable to implement the ~~Individual Development Savings~~ Vermont Matched Savings and Financial Capabilities Program, including minimum requirements for approval of savings plans, criteria for training and counseling, reporting requirements for participating financial institutions, and matching fund allocation standards.

(c)(1) The ~~Individual Development Matching~~ Vermont Matched Savings and Financial Capabilities Grant Special Fund is established in the State Treasury and shall be administered in accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5, except that interest earned on the Fund shall be retained in the Fund. Into the Fund shall be deposited proceeds from grants, donations, contributions, appropriations, and any

other revenue authorized by law. The Fund shall be used only for the purpose of providing matching funds for the Individual Development Savings Program as established in this section, and to provide grants to service providers for administrative expenses of administering the Program.

(2) The Agency may make grants from the ~~Individual Development Matching~~ Vermont Matched Savings and Financial Capabilities Grant Special Fund to service providers to provide the match for approved savings plans with enrolled savers. The amount and number of grants shall be calculated quarterly by the Agency based on the number of savers and the amounts included in their approved plans administered by each service provider so that payment of the maximum match is ensured for all savers for the period for the approved savings plans without exceeding the balance in the Fund. The Agency may award grants from the Fund to service providers to cover their expenses of training and counseling savers, and to implement and administer the ~~Individual Development Savings~~ Vermont Matched Savings and Financial Capabilities Program. The Agency may approve the use of interest earnings on grant funds as a portion of approved administrative costs.

(3) The Agency and service providers, separately or cooperatively, may solicit grants and private contributions for the ~~Individual Development Matching~~ Vermont Matched Savings and Financial Capabilities Grant Special Fund.

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The Committee supports this recommendation on a vote of 9-0-2.

Department for Disabilities, Aging, and Independent Living—Adult Services

- **Long-Term Care**

The Committee recommends addressing the Choices for Care Moderate Needs Group and believes the pressure imposed by the 750 individuals on the waiting list can be

met within the Governor's budget if the existing 1% set aside is utilized. This is the Committee's top priority within the Department for Disabilities, Aging, and Independent Living's budget.

The Committee supports the statutory increases for nursing homes in the amount of \$3,791,914.00 and the budget adjustment act case mix adjustment of \$2,900,000.00, as well as the -\$1,925,385.00 adjustment for reduced nursing home utilization. Also acceptable is the caseload pressure of \$2,141,952.00, Money Follows the Person in the amount of \$1,488,77.00, and the annualization of the personal needs allowance in nursing homes in the amount of \$266,638.00.

The Committee supports this recommendation on a vote of 10-0-1.

- **Attendant Services Program**

The Committee recommends that the General Assembly does not accept the Governor's proposed reduction of \$181,933.00 and further recommends unfreezing the General Fund attendant services program. This would allow certain individuals with severe disabilities to have gainful employment.

The Committee supports this recommendation on a vote of 10-0-1.

Department for Disabilities, Aging, and Independent Living—Development Disabilities Services

- **Developmental Disabilities Services Caseload**

The Committee supports the Governor's proposal regarding the Department for Disabilities, Aging, and Independent Living's development disabilities services caseload, including a continuation of budget adjustment act adjustments in the amount of -\$368,524.00 for under-utilization of non-home- and community-based services and -\$412,519.00 for under-utilization of the year 2 AFSCME agreement are acceptable at this time. In the future, utilization may increase and reverse these numbers. The developmental services regular caseload and public safety caseloads, \$6,585,428.00 and \$1,118,205.00, respectively, are consistent with previous policy and are acceptable.

Department of Health

- **Home Visiting**

The Committee supports the Governor's proposal for sustained home visiting, but recommends the following changes to the Governor's proposed Sec. E.301.4:

Sec.E.301.4. GLOBAL COMMITMENT MATCHING FUNDS FOR ~~NEWBORN~~
SUSTAINED HOME VISITING

(a) \$1,000,000.00 of the general funds appropriated in Sec. B.301 of this Act shall be used as matching funds for Global Commitment expenditures for sustained home visiting.

The Committee supports this recommendation on a vote of 10-0-1.

- **Prevention**

The Committee understands that essential grant funds used by the Department of Health for drug, alcohol, and tobacco prevention will soon run out and recognizes that gap funding must be found to continue the work of the Department's twelve prevention specialists.

The Committee supports this recommendation on a vote of 10-0-1.

Proposal for One-Time Funds

- **Bright Futures Information Systems**

The Department for Children and Families' Child Development Division requires new information technology, without which it risks penalties and loss of federal funds. The projected cost of the new system is \$6.7 million. The Department has \$900,000.00 in unspent funds from last year to dedicate to this total. The Committee recommends that the availability of any one-time funds be directed to this project.