

115 STATE STREET,
MONTPELIER, VT 05633-5201

PHONE: (802) 828-2228
FAX: (802) 828-2424



STATE OF VERMONT
HOUSE OF REPRESENTATIVES

MEMORANDUM

To: Rep. Mary Hooper, Chair, Committee on Appropriations
From: Rep. Ann Pugh, Chair, Committee on Human Services
Cc: Rep. Jill Krowinski, Speaker, House of Representatives
Date: January 12, 2022
Subject: FY22 Budget adjustment recommendations

The House Committee on Human Services (Committee) thanks the House Committee on Appropriations for the opportunity to comment on the Governor's proposed fiscal year 2022 Budget Adjustment Act. The Committee's recommendations are outlined below:

DEPARTMENT FOR CHILDREN AND FAMILIES (DCF)—ECONOMIC SERVICES DIVISION

- The Committee proposes the addition of the following provision:

Sec. E.323 REACH UP – FISCAL YEAR 2022 ONE-TIME USE OF UNDERUTILIZED FUNDS

To the extent that funds appropriated to the Reach Up program in fiscal year 2022 are not encumbered or expended, or both, in fiscal year 2022, funds shall carry forward and be used for a one-time payment to participating families in fiscal year 2023. The Department for Children and Families shall report to the Joint Fiscal Committee at its September 2022 meeting on the status of funds available and timing of one-time payments to participating families.

- While the Committee agrees that housing individuals in motel rooms is not a long-term solution, it believes that the March 1, 2022 termination date for the existing General Assistance Emergency Housing program is hasty given that implementation of a replacement program may not yet be actualized by that date. Therefore, the Committee recommends that DCF continue to meet with stakeholders.

DEPARTMENT FOR CHILDREN AND FAMILIES—CHILD DEVELOPMENT DIVISION

- The Committee supports reallocating \$814,000.00 of unspent funds within the Child Care Financial Assistance Program to remain in the program for the purpose of supporting families, programs, and providers.
- The Committee recommends that \$6 million be directed to DCF's Child Development Division to address emergent and exigent circumstances following the COVID-19 pandemic for workforce retention bonuses to retain early childhood educators.

DEPARTMENT OF DISABILITIES, AGING, AND INDEPENDENT LIVING (DAIL)

The administration's budget adjustment proposal includes funding within several programs to address retaining and recruiting workforce for *some* long-term care services and supports using multiple funding sources (e.g., home- and community-based services FMAP bump, Global Commitment, and General Fund). The Committee believes that there is a total of \$33 million focused on these workforce issues. Witnesses have expressed support for the concept of workforce support contained in the administration's budget adjustment proposal, while noting that the amount of resources proposed is insufficient. Based on the testimony the Committee received, it concurs with this assessment. The Committee recommends that this amount be doubled to \$66 million, some or all of which may be eligible for federal funding. In addition, the Committee recommends specific support as noted below. These specific recommendations may also be taken into consideration when allocating the general workforce recruitment and retention amount noted above.

In addition, the budget adjustment proposal appears to prioritize hospital workforce needs. While the Committee believes that need is critical, it also believes that it is critical to have comparable recognition of the home- and community-based providers serving Vermonters. Therefore, additional support is important to attempt to maintain the most essential of these services.

Furthermore, the administration's proposal outlines a competitive process to allocate funding. The Committee recommends that allocations are made based on a process that includes key data (to be determined at a future date), rather than through a competitive process. Also, it is unclear whether assisted living residences are included in the workforce retention and recruitment proposals and the Committee recommends that they be specifically noted.

In addition to the above, the Committee supports the following recommendations:

- Contracted RN, LPN, and LNA Services
In addition to the administration's budget adjustment proposal, approximately \$12 million is recommended for nursing facilities to address the gap between the budgeted cost of RNs, LPNs, and LNAs and the contracted cost of care needed to hire traveling professional staff plus an additional \$1.2 million for home health agencies. Costs for

contracted staffing have risen more than 56 percent. Also critical is the ability to get these funds to nursing facilities either outside of the rate setting process or through an emergency bump to current rates. Three nursing facilities are in the process of filing for “extraordinary relief,” which equates to critical financial need that has the potential to impact the viability of the facility.

- Choices for Care

The administration’s budget adjustment proposal directs that \$1.1 million of Choices for Care “savings” be used to fund, in part, an IT project for the Adult Protective Services program. The Committee does not believe this is consistent with the legislative intent of [33 V.S.A. § 7602](#). This project would be better funded by the home- and community-based services FMAP bump along with other IT improvements in that program and the \$1.1 million in General Funds directed toward direct services.

- Adult Day Providers

Vermont’s adult day providers are still operating at a reduced capacity, and while \$5 million was appropriated in fiscal year 2022, it appears as though an additional \$1 million is necessary.

- Designated and Specialized Service Agencies

The administration’s budget adjustment proposes a combination of bonuses and pay differentials for individuals working at the Vermont Psychiatric Care Hospital. Recognizing that the designated and specialized service agencies are encountering the very same level of dire issues (e.g. (1) employee retention and recruitment; (2) the safety of staff and of individuals receiving services; and (3) the ability to even provide direct care services) it is recommended that \$2,000.00 per full-time employee and contractor be allocated to the designated and specialized service agencies. Likewise, \$2,000.00 per full-time employee is recommended for approximately 3,800 individuals employed by families through ARIS, not to exceed \$20.5 million, which should be eligible for Medicaid.

- Development Disability Systems Reform

There are two major elements required as part of the Developmental Disabilities Systems Reform by: (1) State Auditor (accurate encounter data process) and (2) CMS (conflict-free case management). Several other major elements are also underway, including testing and implementation of the SIS-A, a standardized needs assessment. Given the extreme workforce challenges being encountered due to COVID-19, the amount of staff time involved in facilitating these assessments, and the impact on direct services at this time, the Committee recommends that the systems reform efforts required by the State Auditor and CMS be prioritized and any other reform efforts have staggered testing and implementation time frames of no earlier than July 1, 2023.

Additionally, significant pressure exists for advancing additional residential support options for adults with developmental and intellectual disabilities. There appears to be only funding in the FMAP bump investments for a consultant to meet with stakeholders

and no funding to pilot potential options. In general, the Committee found this portion of the budget adjustment proposal to lack specificity.

- Conflict-Free Case Management
Resources to implement the required conflict-free case management (\$4 million) is included in the FMAP bump portion of the budget adjustment proposal. However, given the complexity of this undertaking, the Committee questions whether this is sufficient.

DEPARTMENT OF HEALTH

- Vermont is currently experiencing record-breaking rates of fatal opioid overdose. In addition to prevention and treatment services, harm reduction and recovery services have been a key component of Vermont's strategy to save lives. While there are additional policy initiatives to consider for the fiscal year 2023 budget, the following fiscal year 2022 budget adjustment proposals seek to address the most urgent needs exacerbated by the ongoing COVID-19 pandemic:

- Syringe Service Program Funding
\$166,700.00 to support Syringe Service Programs whose funding through federal tobacco settlement grants ended on December 31, 2021. The following appropriations represent six months of level funding for the four existing grant recipients:
 - Safe Recovery (\$75,000.00)
 - Vermont CARES (\$34,667.00)
 - AIDS Project of Southern Vermont (\$32,000.00)
 - HIV/HCV Resource Center (\$25,000.00)

- GA Emergency Housing Harm Reduction
\$180,000.00 to provide for the distribution, training, and outreach for harm reduction kits at General Assistance Emergency Housing motel sites statewide. While ADAP has been able to provide harm reduction kits, recovery centers have not been funded for the distribution, training, or recovery coaching services they have performed to date.

This \$180,000.00 represents \$15,000.00 to each of Vermont's 12 recovery centers. \$15,000.00 is the estimated *annual* cost for a recovery center to provide these services to General Assistance motel sites within their region. This funding is intended to reimburse those recovery centers that have provided these services over the course of the pandemic, as well as to support recovery centers in providing a more uniform distribution of harm reduction services to General Assistance motel sites statewide.

- Workforce Retention
 - \$360,000.00 to provide for direct payment to recovery coaches and other support staff at Vermont's 12 recovery centers (specifically, \$30,000.00

per center, which amounts to approximately \$2,000.00 per employee). It is worth noting that recovery coaches were not included in previous hazard payments through Coronavirus Relief Funds.

- \$384,000.00 to provide support payment to substance uses disorder staff within Vermont’s preferred provider network (\$2,000.00 per full time employee). This estimate includes 73 nursing positions in eight Hubs and four Residential sites and 119 clinician positions across the preferred provider network (includes hubs, residential programs, designated agencies, and addiction specialty providers).

JOINT FISCAL OFFICE

- The Committee supports the Joint Fiscal Committee’s proposal to use carryforward funds to begin the hiring process for a consultant to complete the 2021 Acts and Resolves No. 45, Sec. 14 child care and early childhood education financing study.

VERMONT FOOD BANK

- The Committee supports an additional appropriation of between \$3–6 million to support the work of the Vermont Food Bank to eliminate food insecurity in the State.