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STATE OF VERMONT
HOUSE OF REPRESENTATIVES

MEMORANDUM

To: Rep. Mary Hooper, Chair, House Committee on Appropriations
 From: Rep. Ann Pugh, Chair, House Committee on Human Services
 Cc: Rep. Jill Krowinski, Speaker, House of Representatives
 Date: February 23, 2022
 Subject: Recommendations on Governor's FY23 budget

As requested, the House Committee on Human Services (Committee) has reviewed provisions of the Governor's proposed fiscal year 2023 budget. The Committee thanks the House Committee on Appropriations for the opportunity to comment on these provisions. The recommendations in this memo represent the top priorities of each subgroup assigned to review various aspects of the Agency of Human Services' budget. The Committee supports the areas of the Governor's budget not specifically addressed in this memorandum, including the following language sections identified for the Committee to review in the January 24, 2022 memo entitled "Provisions in the Governor's budget":

- Section B.1100 Fiscal Year 2023 (one-time)
 - 5(B): no comment
 - 8(A)&(B): no comment
- Section D: Executive Branch Positions
 - (a)(1)(D) DAIL
The Committee proposed a change to this section in the body of the memo (see details below).
 - (b)(1)(D): no comment
- Section E.100(a)(1)(D)
- Section E.209 Public Safety
 - (b): no comment
- Section E.312 Public Health (see details below)
- Section E.318 CCFAP
 - The Committee proposed a change to this section in the body of the memo (see details below).
- Section E.318.1 Child Care Provider Stabilization Grants
- Section E.321 General Assistance: support

- Section E.321.1 Adverse Weather: support
- Section E.323: Reach up (Medical Review Team): support
 - Added language for Reach Up: E 323.1 Reach Up-Fiscal Year 2023 one-time use of underutilized funds (see details below).
 - (9)(a): To the extent that funds appropriated to the Reach Up program in fiscal year 2023 are not encumbered or expended, or both, in fiscal year 2023, funds shall carry forward and be used for one-time payment to participating families in 2024. DCF families shall report to the Joint Fiscal Committee at its September 2023 meeting on the status of funds available and time of one-time payments to families.
- Section E.325 OEO: support
- Section E.326 weatherization: support
- Section E.501 ESSER Funds: no comment
- XX. Housing and Homelessness Investments: support
- XX. Climate Action Investments
 - (b), (e), (f): support

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

- **Home- and Community-Based Services**

The Governor's recommended fiscal year 2023 budget includes a 3 percent cost of living increase that covers home- and community-based services across all long-term care providers, including ACCS. However, it is clear that a three percent increase is insufficient to deal with severe staffing shortages (both retention and recruitment) present within the long-term care provider workforce. The situation is impacting the safety of and quality of care for vulnerable Vermonters. The Committee recommends, within the funding available, additional support for long-term care providers, up to 10 percent, and to work toward a wage of \$20/hour for direct support professionals. DAIL has provided the following information for each additional one percent of COLA increase:

DVHA budget

B.307 ACCS – \$168,889.00 Gross GC (GF share \$74,345.00)

[Please note that the Committee recommends moving this appropriation, currently in the DVHA budget, to the DAIL budget.]

DAIL budget

Sec. B.330 DHRS 3460020000 – \$19,000.00 Gross GC (GF share \$8,363.00)

Sec. B.333 DS 3460050000 – \$2,811,642.00 Gross GC (GF share \$1,237,685.00)

Sec. B.334 TBI 3460070000 – \$55,030.00 Gross GC (GF share \$22,224.00)

Sec. B.334.1 CFC 3460080000 – H&CBS (inc. ERC) - \$886,416.00 Gross GC (GF share \$390,200.00)

Total Gross GC \$3,940,977.00 GF share \$1,734,819.00

- **Staffing**

DAIL is proposing several staff positions to address safety and quality of services as follows:

- Long-term care oversight — six positions — \$671,807.00 — the addition of these staff would enable at least annual visits to all long-term care facilities in the State. The Committee has seen evidence of the need for additional oversight given the report of the Long-Term Care Ombudsman regarding the quality of services as a result of COVID-19 and staffing shortages.
- Adult Protective Services — two positions — \$189,554.00 — these positions are needed to increase the timeliness of investigations and ability of DAIL to respond to allegations of abuse and neglect.
- Office of Public Guardian (OPG) — two positions — \$200,000.00 — these positions are in response to increased caseloads in the representative payee area and for public guardians. The Committee recommends that one of the positions be targeted to an actual public guardian as contrasted to the position of Assistant Director of the OPG unit (which is how DAIL has targeted the position). The OPG unit already has senior public guardians who share in the supervision and staff training. DAIL responded that the additional Assistant Director position would not appreciably decrease caseloads, and the Committee recommends that this be the first priority. The other position is to provide representative payee services, and the Committee concurs with the need for this position.

DAIL provided information to prioritize at least annual quality assurance and oversight visits to most providers of services to vulnerable Vermont citizens. However, one population was not considered in this initiative: individuals with developmental or intellectual disabilities. Prior to staff budget cuts several years ago, DAIL conducted at least annual quality assurance and oversight visits to designated and specialized service agencies. The frequency of those visits is now at two-plus years. This is insufficient to meet the State's obligations to these individuals and their families.

The Committee recommends the following positions be restored based on estimates provided by DAIL:

Developmental Disabilities Services Division — five positions — \$506,158.00 — necessary to ensure the health and safety of individuals with developmental and intellectual disabilities:

- One Quality Review Team Supervisor (PG26)
- One Nurse Reviewer (PG25)
- Three Quality Review Team staff (PG24)

The annual cost of the five positions (salary and fringe) and associated IT and supply needs would be \$506,158.00 gross at a 50/50 match rate FF/GF.

GF need \$253,079.00, FF Medicaid Admin \$253,079.00

Additionally, based on testimony, it is clear that additional options for residential supports are necessary to meet the needs of individuals with developmental and intellectual disabilities. The Agency of Human Services' plan for the temporary home- and community-based services FMAP bump includes funding to hire one or more consultants to assist DAIL with this work. Instead, the Committee recommends that a limited-service position, a Residential Program Developer, be established and the Agency of Human Services' home- and community-based services FMAP plan be adjusted to reflect this. It is also recommended that \$500,000.00 of the home- and community-based services FMAP bump be targeted for pilot projects for new residential alternatives.

- **Personal Needs Allowance**

Two years ago, the approved budget recognized an increase in the personal needs allowance for nursing facility residents. The Committee recommends an additional 10 percent for this purpose in fiscal year 2023. This program operates on a calendar year. As such, the increase is estimated to cost \$62,300 (gross) / \$30,500 (GF) in fiscal year 2023 and would be annualized in fiscal year 2024. The committee also recommends the following language which would tie annual increases to the Consumer Price Index (CPI) starting in fiscal year 2024:

Sec. A. 33 V.S.A. § 1307 is amended to read:

§ 1307. AMOUNT OF STATE AID

The amount of State aid to which an eligible individual is entitled shall be determined with due regard to the income, resources, and maintenance available to the individual and, when an eligible individual lives with the individual's ineligible spouse or a needy essential person, or both, as defined by the Commissioner, with due regard to the needs of the ineligible spouse and with due regard to the needs, income, and resources of the needy essential person. To the extent funds are available, aid shall provide a reasonable subsistence compatible with decency and health. The Commissioner for Children and Families may by rule fix maximum amounts of aid and take measures to ensure that the expenditures for the programs shall not exceed the funds provided for them. In determining the annual appropriation for the personal needs allowance for nursing facility

residents, the Commissioner shall employ an annual inflation factor using the Consumer Price Index.

Sec. B. 33 V.S.A. 1902 is amended to read:

§ 1902. QUALIFICATION FOR MEDICAL ASSISTANCE

* * *

(b) Workers with disabilities whose income is less than 250 percent of the federal poverty level shall be eligible for Medicaid. The income also must not exceed the Medicaid protected income level for one or the Supplemental Security Income (SSI) payment level for two, whichever is higher, after disregarding the earnings of the working individual with disabilities; Social Security disability insurance benefits, including Social Security retirement benefits converted automatically from Social Security Disability Insurance (SSDI), if applicable; any veteran's disability benefits; and, if the working individual with disabilities is married, all income of the spouse. Earnings of the working individual with disabilities shall be documented by evidence of Federal Insurance Contributions Act tax payments, Self-Employment Contributions Act tax payments, or a written business plan approved and supported by a third-party investor or funding source. The resource limit for this program shall be \$10,000.00 for an individual and \$15,000.00 for a couple at the time of enrollment in the program. Assets attributable to earnings made after enrollment in the program shall be disregarded. In determining the annual appropriation for the personal needs allowance for nursing facility residents, the Commissioner shall employ an annual inflation factor using the Consumer Price Index.

- **Division of the Blind and Visually Impaired**

Funding for SMART (Speech Magnification Access Reading Telecommunications) training was provided during each of the last two fiscal years in the amount of \$100,000.00 per year. This funding has dramatically improved access for individuals who are blind or visually impaired to reduce social isolation and positively impact mental health. In 2020, 150 people were served through this appropriation, and that number nearly doubled in 2021 to 290 people. The Committee recommends adding \$100,000.00 to the base budget to support this training.

- **Caseload**

Estimates for increased caseload in Choices for Care, traumatic brain injury, and developmental and intellectual services are included in the recommended budget and appear to be sufficient to meet needs based on historical data.

Department for Children and Families—Child Development Division

- **Children’s Integrated Services (CIS)**

Reimbursement Rates

In acknowledgement of the ongoing impact that inflationary pressures are having on the CIS provider network and that Vermont’s estimated cost of providing care exceeds current reimbursement rates, the Committee recommends bringing the reimbursement rates to \$650.00 per member per month. This proposed increase would cost about \$888,600.00 gross (\$496,050.00 GF share).

Information Technology

The Committee recommends a *one-time* appropriation of \$1.6 million to the Agency of Digital Services for the expansion of the statewide CIS IT system.

- **Child Care Financial Assistance Program (CCFAP)**

The Committee concurs with the Governor’s proposed CCFAP budget proposal as it reflects the policy decisions adopted by the Committee in 2021 Acts and Resolves No. 45, including eligibility for families between 300 to 350 percent of the federal poverty level, co-payments assigned to whole families rather than individual children, and removal of co-payments for families with annual gross income less than or equal to 150 percent of FPL.

The Committee supports the language in Sec. E.318 of the Governor’s budget moving from an individual to family co-pay and notes that the report date would need to be

moved to July 30, 2023, to ensure meaningful data due to the delay in implementing the IT system. It also supports the Governor’s proposal to increase available sick and vacation days for CCFAP participants while CDD finalizes its report examining an enrollment- versus attendance-based model.

The Committee notes that the fiscal year 2022 appropriation for improvements to the CCFAP IT system has not yet been deployed, and the benefits of this investment have not yet been realized. The Committee is concerned about the timing and manner of communications to child care providers and participating families regarding the results of changes to the CCFAP IT system. The Committee looks forward to the complete rollout of policies in 2021 Acts and Resolves No. 45.

The Committee concurs with the Governor's proposal of \$7 million to increase the number of afterschool programs eligible to receive CCFAP funds in an effort to make programming more available and affordable to school age youth.

- **Parent Child Centers**

The Committee recommends increasing the base appropriation to the parent child center integrated grant by \$1.5 million for a total of \$4.85 million. This increase would allow parent child centers to increase employee wages or benefits, or both, to be more competitive in the workforce marketplace. Less employee turnover ensures that families with young children receive consistent, high-quality services and supports.

The Committee also recommends the second *one-time* appropriation of \$3.7 million for the parent child centers to address the additional needs of families with young children as a result of the COVID-19 pandemic. This funding is the second year of a two-year request.

Department for Children and Families—Economic Services Division

- **Reach Up**

Carry Forward

The Committee also offers further language (see below) to allow for the carry forward of unused funds to provide *one-time* payments to participating Reach Up families. The Committee does not agree with the Administration’s \$4.7 million budget reduction for the Reach Up program due to caseload savings. It fears that the Administration is not appropriately planning for potential increases in caseloads based on the projections in the January 2022 Leslie Black-Plumeau report. Therefore, the Committee recommends that the Administration’s reduction be retained in the Reach Up budget to ensure sufficient funding for fiscal year 2023.

Proposed Language

Sec. E.323.1. REACH UP – FISCAL YEAR 2023; ONE-TIME USE OF UNDERUTILIZED FUNDS

(a) To the extent that funds appropriated to the Reach Up program in fiscal year 2023 are not encumbered or expended, or both, in fiscal year 2023, funds shall carry forward and be used for a one-time payment to participating families in fiscal year 2024. The Department for Children and Families shall report to the Joint Fiscal Committee at its September 2023 meeting on the status of funds available and timing of one-time payments to participating families.

Department for Children and Families—Family Services Division

• **Transportation**

The Committee does not support the proposal in the Governor’s budget to combine transportation funds intended for use by the Child Development Division with transportation funds intended for use by the Family Services Division (line 603230). The Committee recommends that the portion of that appropriation intended for use by the Child Development Division be included in the Child Development Division budget (line 603530).

• **Foster Care**

The Committee recommends an increase of \$623,150.00 from the General Fund for Youth Development Programs to increase capacity for eligible youths, ages 14–23, regardless of custody status. This will increase the number of eligible youths receiving services by increasing the number of Youth Development Coordinators, ages 16–22; increasing youth investment grant funds; and adding additional staff to the Statewide Administrative Team.

• **Balanced and Restorative Justice**

The Committee recommends a \$100,000.00 increase to the upcoming RFP to offset wage pressures that have been exacerbated by the pandemic in the Balanced and Restorative Justice (BARJ) Programs. Within the BARJ agreements, the Committee supports the use of Medicaid funds to cover eligible services but does not support using increased Medicaid fund utilization to offset General Fund monies going to BARJ organizations.

Department of Health

- **ADAP**

Tobacco and Vaping Prevention—\$1,000,000.00

The Committee recommends an additional \$1 million for Vermont’s tobacco control program. The program has lost the one-time Master Settlement funds it used for media interventions, including to combat youth vaping. According to the American Heart Association, cigarette sales have increased for the first time in 20 years and Vermont’s adult smoking rate of 16 percent is now higher than the national average of 14 percent. Early evaluation of Vermont’s program found that over a 13-year period, it realized a \$1.4 billion return in savings from health care costs for its \$73 million investment.

The Committee also proposes the following language:

Sec. E.312. HEALTH—PUBLIC HEALTH

(a) AIDS/HIV funding:

(1) In fiscal year 2023 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000.00 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer support organizations for client-based support services. The Department’s AIDS program shall meet at least quarterly with the Community Advisory Group with current information and data relating to service initiatives. The funds shall be allocated according to a request for proposal process. If there are insufficient AIDS Medication Rebates, General Funds shall be used to meet this appropriation. In addition, \$295,000.00 shall also be appropriated from the General Fund to the following organizations for client-based support:

(A) Vermont CARES—\$140,000.00;

(B) AIDS Project of Southern Vermont—\$110,000.00;

(C) HIV/HCV Resource Center—\$110,000.00.

* * *

(4) In fiscal year 2023, the Department shall provide grants in the amount of \$150,000.00 from the General Fund to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period of these grants will be State fiscal year 2023. Grant reporting shall include outcomes and results.

* * *

(B) In fiscal year 2023, the Department shall provide additional grants in the amount of \$360,000.00 from the General Fund for HIV prevention programs and syringe service programs.

Recovery Housing, Residential Treatment, and Detox Beds—\$3,700,00.00

The Committee partially supports the proposed \$3.7 million for recovery housing, residential treatment facilities, and detox beds. However, the Committee recommends that the \$2.45 million proposed for residential treatment facilities instead be dedicated to Medicaid rate increases across the preferred provider network. Residential treatment facilities have reported that they have no waitlists and that intake and capacity issues are related to staffing shortages. In calendar year 2021, 142 people were wait-listed for recovery housing, and detox (or “respite”) beds have been identified as a missing component within the continuum of recovery housing. The Committee recommends adding language specifying that recovery homes receiving State funds must be certified through the Vermont Alliance for Recovery Residences (VTARR).

Employment Supports for Individuals in Recovery—\$1,270,000.00

The Governor's proposed budget includes a \$270,000.00 pilot program within Chittenden County with the goal of placing 100 people who are in recovery into employment by funding positions through VocRehab, VABIR, and InvestEAP. The Committee supports this pilot; however, it recommends an additional \$1,000,000.00 to provide employment supports within the remaining 11 recovery centers throughout the State. The Committee has asked that the House Committee on Commerce and Economic Development provide further recommendations for employment supports for individuals in recovery.

Jenna's Promise—\$400,000.00

The Governor's budget appropriates \$500,000.00 for Jenna's Promise, a nonprofit recovery service provider based in Johnson, VT, to support a three-year limited time proposal. Jenna's Promise offers expanded services, including employment, housing, and diverse community services. Jenna's Promise uses a nonprofit business model and intends that this funding will allow it to become financially self-sustainable after the three-year period. Due to a relatively high proportion of the proposed budget being dedicated to administrative costs, the Committee recommends reducing the annual amount from \$500,000.00 to \$400,000.00 per year.

Recovery Center Funding—\$540,000.00

In the fiscal year 2022 budget, the General Assembly appropriated a one-time increase of \$45,000.00 to each of the State's 12 recovery centers. Recovery centers have experienced an expanded capacity since the beginning of the pandemic that is expected to continue. Due to the continued expected ongoing need for recovery services, the Committee proposes a base increase of \$540,000.00 to be distributed evenly among the State's 12 recovery centers.

Expanding Capacity in AIDS Service Organizations and Syringe Service Programs—\$655,000.00

Vermont's AIDS service organizations have experienced an increase in caseload and staffing issues, as well as rising costs of sterile injection equipment. AIDS service organizations provide diverse services at no cost to clients yet are not included in the preferred provider network or subject to Medicaid reimbursement rate increases. Furthermore, Vermont's AIDS service organizations offer HIV prevention services. The Committee has learned that continued funding for syringe service programs is currently dependent on SAMSHA grant funds, the receipt of which will not be confirmed until May 2022. In recognition of the increasing need to expand syringe service programs, including mobile services, the Committee recommends increasing HIV prevention funding and syringe service funding (line E.312) by \$360,000.00 and HIV service funding by \$295,000.00 whether SAMSHA grants are awarded or not.

The Committee recommends the following language:

In fiscal year 2023, the Department of Health shall not reduce any grants to the Vermont AIDS service and peer-support organizations or syringe service program from funds appropriated for HIV/AIDS services or syringe service program to levels below those in fiscal year 2020 without receiving prior approval from the Joint Fiscal Committee.

- **Lead Poisoning Prevention**

The Department of Health’s Lead Poisoning Prevention Report on 2020 Program Outcomes and Activities (dated April 15, 2021) stated that significant numbers of infants in Vermont contain elevated levels of lead in their bloodstream. Through the federal Infrastructure Investment and Jobs Act, the State of Vermont can expect to receive \$335 million over the next five years to dedicate towards improving water infrastructure, including replacing lead service lines and pipes. We recommend investigating whether matching funds will be necessary to utilize these federal dollars to address lead poisoning prevention in Vermont’s infant population.

Additional Proposals

- **Vermont Foodbank**

The Committee recommends a *one-time* \$6 million appropriation for fiscal year 2023 in support of the Vermont Foodbank. The Vermont Foodbank anticipates a sustained increase in need of roughly \$400,000.00 per month above pre-COVID levels throughout fiscal year 2023 to serve the ongoing needs of people experiencing food insecurity.

- **Adaptative Ski & Sport**

The Committee recommends a *one-time* appropriation \$130,000.00 to the Vermont Adaptive Ski and Sports Program.