

**Public Testimony for H.140**  
**Julie Bond, Co-Executive Director**  
**Good Samaritan Haven**  
**January 11, 2024**

My name is Julie Bond, I am the Co-Executive Director of Good Samaritan Haven, the shelter network for the unhoused that serves Washington county and the broader central Vermont region.

I'd like to address both the importance of the expansion of the 10% de minimis rate for entities implementing key services across the state, and the use of a more uniform set of documents for funding requests and grant administration across state agencies.

A bit of background: Good Samaritan Haven is a non-profit organization that provides emergency shelter beds and associated support services to individuals experiencing homelessness or housing precarity. We currently operate four shelter locations in four towns in Washington County, employing over 40 people and housing 82 people. We also provide housing navigation support to individuals in local motels.

Good Samaritan Haven is in full support of H140. It would bring consistency, transparency and efficiency to the state grant making system, the grant awarding process, and it would lead to a more reasonable indirect cost system.

The indirect cost allowance of 10% de minimis is grossly inadequate for the administration of our programs. We estimate it contributes to about 25% of our administrative cost.

This rate does not allow for sustainable administering of organizations providing essential services, nor does it allow for any capacity building to expand services. Our organization in particular is receiving state pressure to shoulder a growing burden of direct service provision to help alleviate the housing crisis. It is not feasible to expand shelter sites and their operations without expanding the connective administrative tissue that holds it together.

As a specific example, In FY 24 Good Samaritan Haven received a HOP grant of about \$2 million dollars to operate 3 shelters with 62 beds, a street outreach program and a site based hotel services program. Following the 10% de minimis rule we were entitled to \$165,000 in indirect costs. That amount is enough to pay for one of our co-executive directors and a donor manager.

You need a lot more than those 2 positions to operate our shelter network with close to 40 employees. For example it does not include: an Operating Director, Human Resource Manager, Development Officer, Finance Manager, Auditor, Legal Fees and many other costs that are essential to operating a non-profit provider of essential services. These are essential roles that shoulder the challenge and risk associated with running a program for the neediest Vermonters.

A higher admin rate or other supplementary funding is warranted if we want community based organizations that provide excellent services and which are sustainable. We understand that each of Vermont's Community Action Programs have negotiated Federal Indirect Rates in the range of 15-25% of progency costs. A rate of 20% would give us a much higher baseline and a more reasonable amount to have to raise in private charitable funds on an annual basis. As it stands now, we must spend an inordinate amount of time raising funds to cover the remaining 75% of our administrative costs each year, while also operating one of the most complex service organizations that exists.

Another approach that might be considered is to consider Annual Capacity grants that could be awarded on a competitive basis to supplement indirect cost allowances. This is a system that the Vermont Housing and Conservation Board has used very successfully to build a network of non profit housing development organizations considered to be one of the most successful in the nation.

I'd like to add some comments about the importance of transparency, uniformity and efficiency in state grant applications, grant award documents and grant announcement systems. In addition to our HOP grant administered through the Office of Economic Opportunity, we have had grants through the Department of Health, the Department of Mental Health, the Department of Substance Use Disorder, and Building and General Services. We learned about these grants in a very hit or miss fashion - there wasn't a central location to learn about them. There have been several instances where we have lost out on the opportunity to apply for funding opportunities because we simply were not aware of the open RFP's.

Each of these grant applications was vastly different, the process for submission is different, the grant agreement processes are all different, the grant agreements do not share the same format (though most of the general provisions are similar), and each grant has vastly different reporting requirements. This spectrum in templates, formats, reporting of data, etc. requires an enormous amount of time and administrative capacity to understand the funding landscape within each state Department or Agency in order to carry out the charge of each grant. Most importantly, is that each department and agency uses a different format for invoicing and billing – an organization without limited cashflow may have to balance multiple awards that must be drawn down monthly, quarterly, all at once, or all at the end for reimbursement. It would save an enormous amount of time and resources for our administrative team if we did not have to traverse a huge learning curve with each state grant received or the accounting complexity that these variations present to us.

And this brings us full circle, to a limited administrative capacity, due to the 10% di minimis rate....

Thank you for your time today.