

1 H.938

2 An act relating to establishing the Vermont Homelessness Response
3 Continuum

4 It is hereby enacted by the General Assembly of the State of Vermont:

5 * * * Findings, Legislative Intent, and Purpose * * *

6 Sec. 1. FINDINGS

7 The General Assembly finds that:

8 (1) although an imperfect tool for measuring the true number of
9 unhoused Vermonters, the Vermont Homeless Management Information
10 System as of December 2025 indicated that there were 4,022 individuals who
11 were homeless in the State, 863 of whom were children under 18 years of age;
12 and

13 (2) the 2024 Vermont Housing Needs Assessment notes that of the
14 36,000 primary homes needed in Vermont between 2025 and 2029, the number
15 needed to address homelessness is 3,295.

16 Sec. 2. LEGISLATIVE INTENT

17 It is the intent of the General Assembly that:

18 (1) unsheltered homelessness be eliminated and that homelessness in
19 Vermont be rare, brief, and nonrecurring;

20 (2) Vermont reduce reliance on the inefficient use of hotel and motel
21 rooms for emergency housing;

1 (3) utilization of an emergency housing benefit to access hotels and
2 motels through the General Assistance program end and be replaced by a
3 continuum of services; and

4 (4) a continuum of supports and services be available and administered
5 flexibly in a manner that:

6 (A) provides a stable pathway to permanent housing;

7 (B) meets the specific needs of households experiencing
8 homelessness; and

9 (C) supports community partners.

10 Sec. 3. PURPOSE

11 It is the purpose of this act to:

12 (1) establish a continuum of supports and services for households who
13 are experiencing homelessness or who are at risk of experiencing
14 homelessness;

15 (2) ensure that tailored, temporary emergency housing assistance is
16 available to Vermonters in a manner that encourages efficient and accountable
17 use of taxpayer funds;

18 (3) support self-sufficiency and reduce returns to homelessness by
19 developing personalized housing plans with required participation by
20 households;

1 (4) establish clear eligibility criteria and require active household
2 participation;

3 (5) expand the use of alternative emergency housing models in
4 partnership with municipalities, nonprofit community-based providers, and
5 private landlords;

6 (6) integrate supportive services to assist households to achieve
7 permanent housing stability;

8 (7) establish transparent accountability measures, reporting
9 requirements, and oversight mechanisms;

10 (8) increase Program efficiency and promote maximum flexibility in
11 administering services and supports in the continuum;

12 (9) empower local communities to administer emergency housing
13 services with maximum flexibility; and

14 (10) create a diversified system of emergency housing options,
15 including shelters, specialized shelters, shared housing arrangements, host-
16 home models, master-lease units, and rapid rehousing placements, that provide
17 cost-effective, sustainable, and supportive outcomes to households.

18 * * * Creation of the Vermont Homelessness Response Continuum * * *

19 Sec. 4. 33 V.S.A. chapter 22 is added to read:

20 CHAPTER 22. VERMONT HOMELESSNESS RESPONSE CONTINUUM

21 § 2201. DEFINITIONS

1 As used in this chapter:

2 (1) “Alternative housing options” means housing options including
3 shelters, specialized shelters, transitional housing, recovery residences, shared
4 housing arrangements, host-home models, master-lease units, and rapid
5 rehousing placements.

6 (2) “Applicant” means a household that applies for emergency housing
7 assistance.

8 (3) “At risk of homelessness” means precariously housed without
9 sufficient income, resources, or support to prevent homelessness.

10 (4) “Case management services” means individualized supportive
11 services.

12 (5) “Coordinated entry” means a process that standardizes the way
13 households at risk of homelessness or experiencing homelessness access and
14 are assessed for and referred to the housing and services that a household needs
15 for housing stability.

16 (6) “Department” means the Department for Children and Families.

17 (7) “Disability” means a physical, sensory, cognitive, developmental, or
18 mental health condition or substance use disorder that substantially limits one
19 or more major life activities, or that requires ongoing support, accommodation,
20 or treatment to maintain an individual’s health, safety, or independence. The
21 term includes chronic or episodic conditions that significantly impact daily

1 functioning, regardless of whether the individual is receiving, or is eligible to
2 receive, federal disability benefits.

3 (8) “Diversion” means a strategy aimed at preventing homelessness by
4 helping households find immediate alternative housing options instead of
5 entering shelters. Diversion focuses on addressing the needs of those who
6 have recently lost their housing.

7 (9) “Eligible household” means a household that is homeless and is
8 physically present and intends to reside in Vermont as evidenced by active
9 participation in a housing, employment, or other Agency of Human Services–
10 recognized plan.

11 (10) “Emergency cold-weather shelter” means publicly funded shelter
12 beds made available to households during periods when the National Weather
13 Service is forecasting temperatures at or below 10 degrees Fahrenheit
14 including windchill for the majority of the State.

15 (11) “Emergency housing” means temporary shelter, lodging, or other
16 housing support, or related services provided to eligible households to protect
17 the health, safety, and welfare of an eligible household when no safe housing
18 option is immediately available.

19 (12) “Highly structured shelter” means a shelter that provides
20 programming that emphasizes case management, housing stability,
21 employment, education, or treatment services, as well as other services as

1 appropriate, in a manner that accommodates an eligible household’s disability,
2 if any.

3 (13) “Homeless” means:

4 (A) lacking a fixed, regular, and adequate nighttime residence;

5 (B) facing imminent loss of a primary nighttime residence;

6 (C) fleeing or attempting to flee domestic violence, dating violence,
7 sexual assault, stalking, and other dangerous or life-threatening conditions that
8 relate to violence against a household or household member that either takes
9 place in the primary nighttime residence or causes the household or household
10 member to be afraid to return to the primary nighttime residence;

11 (D) residing in a place not meant for human habitation, such as cars,
12 parks, abandoned buildings, or streets; or

13 (E) otherwise defined as homeless under federal law.

14 (14) “Household” means an individual or group of individuals, with or
15 without children, including individuals who reside together as one economic
16 unit, who are married, parties to a civil union, or unmarried.

17 (15) “Low-barrier shelter” means a shelter that minimizes barriers to
18 entry by reducing the rules and programmatic requirements found in highly
19 structured shelters, while still providing case management and other housing
20 support services in a manner that accommodates an eligible household’s
21 disability, if any.

1 (16) “Minor child” means an individual under 18 years of age.

2 (17) “Office” means the Office of Economic Opportunity.

3 (18) “Permanent supportive housing” means long-term housing with
4 wraparound services for individuals with complex health and social needs.

5 (19) “Prevention” means services intended to prevent a household from
6 becoming homeless, including housing relocation or stabilization services or
7 short-term rental assistance, including rental arrearage.

8 (20) “Program” means the Vermont Homelessness Response
9 Continuum.

10 (21) “Rapid rehousing” means short- to medium-term rental assistance
11 and supportive services aimed at assisting a household to quickly exit
12 homelessness.

13 (22) “Shelter” means a facility that meets the Department’s shelter
14 standards.

15 (23) “Specialized shelter” means a facility that meets the Department’s
16 shelter standards and applicable standards for the delivery of additional
17 services, including health care, mental health services, or services related to
18 substance use disorder.

19 (24) “Supportive services” means individualized supports that assist a
20 household in obtaining and maintaining housing, including:

21 (A) intake assessments and services for diversion from homelessness;

1 (B) household needs assessments;

2 (C) case management;

3 (D) individualized household plans to address identified needs;

4 (E) housing navigation services;

5 (F) assistance obtaining and retaining housing, including financial
6 assistance;

7 (G) landlord-tenant outreach, education, and conflict resolution;

8 (H) navigation to other services and supports as identified in the
9 household’s housing plan, including economic benefits, peer-supported
10 services, job training and employment services, services related to disability
11 and independent living advocacy, and referral to health care assistance,
12 including treatment for mental health conditions and substance use disorder;

13 (I) progress monitoring of interventions; and

14 (J) services to ensure continuity after a permanent placement.

15 (25) “Unsheltered homelessness” means sleeping in a location not
16 designed for or ordinarily used as a regular sleeping accommodation, including
17 cars, parks, abandoned buildings, or streets.

18 § 2202. ESTABLISHMENT; VERMONT HOMELESSNESS RESPONSE

19 CONTINUUM

20 (a) The Vermont Homelessness Response Continuum is established to
21 create an array of services that prevent and address homelessness in Vermont.

1 The Program shall be administered by the Department's Office of Economic
2 Opportunity.

3 (b) The Office shall maintain a continuum of services that is flexible,
4 housing focused, and designed to prevent homelessness whenever possible.

5 The continuum shall prioritize early intervention, rapid resolution of housing
6 crises, and equitable access to emergency and permanent housing.

7 (c) The Program shall:

8 (1) provide temporary emergency housing to eligible households
9 experiencing homelessness or at imminent risk of homelessness;

10 (2) reduce reliance on hotels and motels for emergency housing
11 assistance;

12 (3) expand the use of alternative housing options in partnership with
13 community organizations, municipalities, and private landlords;

14 (4) integrate case management and individualized housing plans into all
15 emergency housing placements; and

16 (5) ensure accountability, transparency, and cost efficiency in the use of
17 public funds.

18 (d) All funding opportunities available under the Program shall be open to
19 any entity or community partner, including those that did not previously
20 receive funding.

1 § 2203. PROGRAM COMPONENTS

2 (a) The continuum of services shall consist of the following:

3 (1) level 1: prevention and diversion services;

4 (2) level 2: shelter services:

5 (A) level 2A: highly structured shelter services; and

6 (B) level 2B: low-barrier shelter services;

7 (3) level 3: specialized shelter services;

8 (4) level 4: hotels and motels;

9 (5) permanent supportive housing services; and

10 (6) other emergency housing services.

11 (b) The Office shall address each of the services in subsection (a) of this
12 section by separate line items in its budget. The Department shall be
13 responsible for any transfers to other Agency of Human Services departments
14 necessary to implement the services listed in subsection (a) of this section.
15 The Department and other departments within the Agency of Human Services
16 shall maximize federal receipts, as applicable, for services listed in subsection
17 (a) of this section.

18 (c) Upon assessing a household's needs, the Office or community partners
19 shall offer to place the household in the appropriate level of care to address the
20 household's specific needs if capacity, staffing, and geographic accessibility
21 are available.

1 § 2204. PREVENTION AND DIVERSION SERVICES

2 Level 1: prevention and diversion services.

3 (1) Prevention and diversion services shall function as the primary entry
4 point to the Vermont Homelessness Response Continuum for all households,
5 although connection may be made at any level. The Office shall ensure that
6 prevention and diversion services are provided through an agreement with one
7 or more community partners in each region of the State in a manner that
8 accommodates an eligible household's disability, if any. All households, upon
9 request for assistance, shall receive a brief, standardized initial prevention and
10 diversion assessment to identify safe alternatives to homelessness and resolve
11 immediate housing barriers.

12 (2) Prevention includes activities to avert entry into homelessness.

13 Diversion includes problem-solving interventions and supports that safely
14 resolve a housing crisis without the use of shelter or hotel or motel placements.

15 (3) Funds administered for prevention and diversion services shall have
16 maximum flexibility.

17 § 2205. SHELTER SERVICES

18 (a) Level 2A: highly structured shelter services.

19 (1) To the extent funds are appropriated for this purpose, the Office shall
20 determine the need for highly structured shelter services and develop sufficient
21 highly structured shelter beds to address that need. The Department through

1 the Office shall enter into agreements for a period of not less than two years at
2 a time with community partners for the provision of highly structured shelter
3 services.

4 (2) Highly structured shelters shall offer programming that emphasizes
5 case management, housing stability, employment, education, or treatment
6 services, as well as other services as appropriate, in a manner that
7 accommodates an eligible household's disability, if any. Eligible households
8 receiving highly structured shelter services shall participate in case
9 management and other services to the extent of their ability.

10 (3) The Office shall ensure that highly structured shelter services meet
11 the Department of Public Safety, Vermont Fire and Building Safety Code
12 (CVR 28-070-001).

13 (4) If an eligible household's needs cannot be met with the level 1
14 prevention and diversion services in section 2204 of this chapter, highly
15 structured shelter services are the preferred initial placement if capacity,
16 staffing, and geographic accessibility are available.

17 (b) Level 2B: low-barrier shelter services.

18 (1) To the extent funds are appropriated for this purpose, the Office shall
19 determine the need for low-barrier shelter services and develop sufficient low-
20 barrier shelters to address that need. The Department through the Office shall

1 enter into agreements for a period of not less than two years at a time with
2 community partners for the provision of low-barrier shelter services.

3 (2) Low-barrier shelters shall minimize barriers to entry by reducing the
4 rules and programmatic requirements found in highly structured shelters, while
5 still providing case management and other housing support services in a
6 manner that accommodates an eligible household's disability, if any. Stays in
7 low-barrier shelters shall be time limited, and eligible households shall be
8 transitioned to highly structured shelter services or permanent housing as soon
9 as feasible.

10 (3) The Office shall ensure that low-barrier shelter services meet the
11 Department of Public Safety, Vermont Fire and Building Safety Code (CVR
12 28-070-001).

13 (4) If an eligible household's needs cannot be met with the level 1
14 prevention and diversion services in section 2204 of this chapter or the highly
15 structured shelter services in subsection (a) of this section, low-barrier shelter
16 services may be utilized if capacity, staffing, and geographic accessibility are
17 available.

18 § 2206. SPECIALIZED SHELTER SERVICES

19 Level 3: specialized shelter services.

20 (1) To the extent funds are appropriated for this purpose:

1 (A) the relevant Agency of Human Services departments shall
2 determine the need for and, to the extent funds permit, develop specialized
3 shelter services that comply with the Department of Public Safety, Vermont
4 Fire and Building Safety Code (CVR 28-070-001), as well as any other
5 applicable standards relevant to the specialty population; and

6 (B) the relevant Agency of Human Services departments shall enter
7 into agreements for a period of not less than two years at a time with
8 community partners for the provision of specialized shelter services.

9 (2) Specialized service shelters shall offer services delivered in a highly
10 structured shelter as well as additional specialty services, such as services for
11 substance use disorder and mental and physical health conditions. Eligible
12 households receiving specialized shelter services shall participate in case
13 management and other services to the extent of their ability.

14 (3) If an eligible household's needs cannot be met with the level 1
15 prevention and diversion services in section 2204 of this chapter or the level 2
16 shelter services in section 2205 of this chapter, a specialized service shelter
17 may be utilized if capacity, staffing, and geographic accessibility are available
18 and the eligible household requires specialized services.

19 § 2207. HOTELS AND MOTELS

20 Level 4: hotels and motels.

1 (1) It is the intent of the General Assembly to decrease reliance on hotel
2 and motel rooms. However, until sufficient permanent affordable housing or
3 shelter services are available, the use of hotel and motel services shall be
4 permitted.

5 (2) If a hotel or motel is utilized pursuant to this section, the Department
6 shall:

7 (A) enter into an agreement with one or more community partners to
8 provide relevant supportive services to eligible households;

9 (B) permit a population-specific placement to the extent certain
10 populations are not isolated from the wider community served through the
11 Program;

12 (C) propose hotel and motel rates as part of its budget presentation
13 for the General Assembly's consideration;

14 (D) use only hotel and motel rates established by the General
15 Assembly;

16 (E) enter into agreements for the use of blocks of hotel and motel
17 rooms and negotiate conditions of use for those blocks, including access to
18 providers of case management and other supportive services, with space to
19 provide services as negotiated; and

20 (F) ensure that services are not provided pursuant to this section on a
21 night-by-night basis.

1 (3) If a hotel or motel is utilized pursuant to this section, the eligible
2 household shall participate in case management services, planning for housing
3 stability, and other services to the extent of the eligible household's ability.

4 (4) A hotel or motel used pursuant to this chapter shall comply with
5 Program rules and the following rules:

6 (A) Department of Health, Licensed Lodging Establishment Rule
7 (CVR 13-140-023); and

8 (B) Department of Public Safety, Vermont Fire and Building Safety
9 Code (CVR 28-070-001).

10 (5)(A) To the extent funds are appropriated for this purpose:

11 (i) between April 1 and November 30 of each year, the utilization
12 of hotel and motel rooms pursuant to this section shall be capped at 700 rooms
13 per night; and

14 (ii) between December 1 and March 31 of each year, the
15 utilization of hotel and motel rooms pursuant to this section shall be capped at
16 1,000 rooms per night.

17 (B) Hotel and motel rooms utilized by individuals served under
18 section 602 of this title shall not be included in the room caps provided in this
19 subdivision (5).

20 (6) If an eligible household's needs cannot be met by levels 1–3 of the
21 Program as described in sections 2204–2206 of this chapter, the Office may

1 utilize hotels and motels if capacity, staffing, and geographic accessibility are
2 available.

3 § 2208. PERMANENT SUPPORTIVE HOUSING SERVICES

4 The Agency of Human Services' departments or their community partners
5 shall offer to provide permanent supportive housing services to an eligible
6 household participating in the Program. Permanent supportive housing
7 services provided pursuant to this section shall combine long-term,
8 community-based rental assistance with voluntary, flexible supportive services,
9 such as family supportive housing and other supportive housing services
10 funded in whole or in part by Medicaid, if the household and services are
11 eligible for Medicaid. An eligible household receiving permanent supportive
12 housing services shall participate in case management, planning for housing
13 stability, and other services to the extent of the eligible household's ability.
14 Permanent supportive housing services may be utilized by an eligible
15 household for as long as the eligible household's plan indicates it is necessary.

16 § 2209. OTHER EMERGENCY HOUSING SERVICES

17 (a) Municipal supports. The Department through the Office shall provide
18 grants to municipalities in areas of the State with a high volume of unsheltered
19 homelessness, including municipalities underserved by traditional funding
20 sources. An eligible municipality may submit to the Office a grant application
21 containing the estimated cost of the municipality's proposal and other

1 identified funding sources. The use of grant funding awarded pursuant to this
2 subsection is at the discretion of the municipality and shall include the
3 provision of basic life-sustaining shelter when the National Weather Service
4 declares a cold weather advisory. Shelter provided pursuant to this subsection
5 shall be time limited, shall not require a coordinated entry assessment or case
6 management, and shall have minimal data reporting requirements.

7 (b) Emergency cold-weather shelters. Emergency cold-weather shelters
8 shall be managed through an agreement between the Office and one or more
9 community partners to provide overnight, low-barrier shelter when weather
10 conditions warrant. The Office and community partners shall ensure equitable
11 access to emergency cold-weather shelters for communities with a high
12 number of households experiencing unsheltered homelessness. Shelter
13 provided pursuant to this subsection shall be time limited, shall not require a
14 coordinated entry assessment or case management, and shall have minimal
15 data reporting requirements.

16 (c) Alternative Agency of Human Services housing solutions. The Agency
17 of Human Services, through its various departments, provides households with
18 other time-limited or permanent housing. Such services include recovery
19 housing, various residential supports for individuals with intellectual or
20 developmental disabilities, home care services for older Vermonters and
21 individuals with physical disabilities, transitional housing for individuals

1 exiting correctional custody, and residential options for individuals with
2 mental health challenges. Emergency housing provided through the Program
3 is not intended to take the place of any other Agency of Human Services time-
4 limited or permanent housing.

5 § 2210. HOUSEHOLD RESPONSIBILITIES

6 (a) Within the funds appropriated for this purpose, a household shall
7 qualify for services under the Program if the household:

8 (1) is physically present and intends to reside in Vermont as evidenced
9 by active participation in a housing, employment, or other Agency of Human
10 Services–recognized plan;

11 (2) agrees to a coordinated entry assessment that prioritizes the
12 household for permanent housing, unless explicitly exempt under this chapter;

13 (3) agrees to engage with a case manager to develop a housing plan,
14 unless explicitly exempt from case management requirements under this
15 chapter or by federal law; and

16 (4) abides by Program rules and refrains from misconduct.

17 (b)(1) The Office or a community partner shall provide clear written notice
18 to all applicants regarding penalties for fraud at the time of application.

19 (2) The Office or a community partner shall not impose a penalty upon a
20 household for a good faith, immaterial error that was corrected upon notice
21 within a reasonable period of time.

1 (3) A household that knowingly provides false, misleading, or
2 incomplete information regarding residency, disability status, household
3 composition, or other eligibility criteria shall be subject to termination of
4 services within 30 days after receiving written notice from the Department or a
5 community partner.

6 (4) Pending the outcome of a relevant Human Services Board hearing,
7 the Office may refer cases of suspected fraud to the Office of the Attorney
8 General or a State’s Attorney for investigation and prosecution under
9 applicable State law.

10 (c) A household may be terminated from the Program for repeatedly
11 refusing suitable placements following documented suitability assessments and
12 reasonable accommodations.

13 (d) A member or members of an eligible household may be subject to
14 immediate termination of services as necessary for the safety of others if the
15 member or members are engaged in:

16 (1) criminal activity; or

17 (2) misconduct that is not related to a disability or to victimization
18 related to abuse, sexual assault, or stalking.

19 (e) As used in this section, “misconduct” means documented behaviors that
20 materially endanger the safety of others, involve the intentional destruction of
21 property, or constitute illegal activity.

1 § 2211. PRIORITIZATION

2 (a) The Office, either directly or through community partners, shall
3 prioritize services within the funds appropriated for this purpose to eligible
4 households who are homeless or at risk of becoming homeless and have a
5 member who:

6 (1) is 65 years of age or older;

7 (2) has a disability;

8 (3) is a minor child;

9 (4) is pregnant;

10 (5) is experiencing domestic violence, dating violence, sexual assault,
11 stalking, human trafficking, or other dangerous or life-threatening conditions;

12 or

13 (6) is under court-ordered eviction or constructive eviction due to
14 circumstances over which the household has no control.

15 (b)(1) Proof of an eligible household's disability shall be verified by:

16 (A) a health care provider licensed or certified and practicing in
17 Vermont;

18 (B) a determination or certification from a State- or federally
19 recognized agency or program that provides services to individuals with
20 disabilities; or

1 (C) self-attestation by the eligible household, subject to verification
2 by the State or community partner within 30 days when other documentation is
3 not reasonably available at the time of application.

4 (2) The presence of an eligible household member's disability shall be
5 verified by the Office or a community partner during the household's initial
6 application process and shall be redetermined annually if the household is still
7 receiving services. An eligible household with a member who has a lifelong
8 disability, such as an intellectual or developmental disability, shall not be
9 required to have the disability redetermined.

10 (c) The Office and community partners shall comply with the Americans
11 with Disabilities Act, 42 U.S.C. §§ 12101–12213, and section 504 of the
12 Rehabilitation Act of 1973, 29 U.S.C. § 794, for the purposes of providing
13 reasonable modifications, effective communication, and accessible placements.
14 Program rules and case management requirements shall be reasonably
15 modified, including with the use of plain language, as necessary to avoid
16 discrimination against eligible households with a member who has a disability.

17 § 2212. TIME LIMITS FOR PROGRAM PARTICIPATION

18 (a) Time limits for Program participation shall be governed by the level of
19 service provided as follows:

1 (1) Level 1: Any temporary housing that is not provided in the form of
2 temporary rental assistance through the Program's prevention and diversion
3 services shall not exceed 30 days per rolling 12-month period.

4 (2) Level 2: The Office, in collaboration with shelter providers, shall
5 establish the maximum length of stay in highly structured shelters and low-
6 barrier shelters in rule or shelter standards.

7 (3) Level 3: The Department, in collaboration with other relevant
8 Agency of Human Services departments, shall establish the maximum length
9 of stay in specialized shelters in rule or shelter standards.

10 (4) Level 4: Hotels and motels:

11 (A) Between April 1 and November 30 of each year, eligible
12 households may receive housing at hotels and motels with supportive services
13 for not more than 70 days per rolling 12-month period as calculated from the
14 date of the eligible household's application through the same day of the month
15 12 months later.

16 (B) Between December 1 and March 31 of each year, eligible
17 households may receive continuous services in cold-weather-use hotels and
18 motels, which shall not be applied toward the time limit established in
19 subdivision (A) of this subdivision (4).

20 (b) The Department may grant extensions to the time limits established in
21 subsection (a) of this section pursuant to criteria adopted in rule, including for:

- 1 (1) an eligible household actively awaiting a placement in housing,
2 treatment, or other services;
3 (2) medical necessity;
4 (3) lack of reasonable alternative accessible placements for a member of
5 the eligible household with a disability; and
6 (4) imminent risk to the health or safety of one or more of the eligible
7 household's members.

8 § 2213. CASE MANAGEMENT SERVICES

9 Each eligible household shall be assigned a case manager, except where
10 specifically exempted for certain services, which may be from any Agency of
11 Human Services department or a community partner. Case management
12 services provided pursuant to this chapter shall be informed by the acuity level
13 of the eligible household and include individualized supports that connect an
14 eligible household to public assistance, health care, employment, permanent
15 housing, and other services. A household may request, but is not guaranteed, a
16 specific case manager or change in case manager.

17 § 2214. NEEDS ASSESSMENT

18 The Office and community partners shall provide advice and consultation to
19 the Department of Housing and Community Development in its completion of
20 a needs assessment that identifies gaps in services for households that are

1 homeless in the State and includes recommendations to ensure the provision of
2 equitable services throughout the State.

3 § 2215. NOTICE; APPEALS; RIGHT TO FAIR HEARING

4 (a) The Office or a community partner shall provide written notice to any
5 applicant or household whose participation in the Program is denied, reduced,
6 suspended, or terminated. Notice shall include:

7 (1) the specific factual and legal basis for the Office or community
8 partner's decision;

9 (2) the effective date of the action, which in the case of termination,
10 reduction, or suspension of services shall provide timely written notice by
11 email or U.S. mail;

12 (3) a statement of the right to request a fair hearing pursuant to this
13 section; and

14 (4) clear instructions, in plain language, on the process and deadlines for
15 filing an appeal.

16 (b) An applicant for or a recipient of assistance pursuant to this chapter
17 may file a request for a fair hearing with the Human Services Board pursuant
18 to 3 V.S.A. § 3091 when:

19 (1) an application for assistance under the Program is denied in whole or
20 part;

1 (2) a household's benefits are terminated, reduced, or suspended; or

2 (3) the household believes that benefits have not been provided in

3 accordance with applicable rules or policies.

4 (c) An applicant or household shall file a request for a fair hearing with the

5 Human Services Board within 60 days after the date of the written notice

6 pursuant to subsection (a) of this section.

7 (d) If a household files a request for a fair hearing within 14 days after

8 receiving notice pursuant to subsection (a) of this section, the Office or

9 community partner providing notice shall continue to provide services under

10 the Program without interruption until a decision is issued by the Human

11 Services Board, unless:

12 (1) the household voluntarily waives continued services; or

13 (2) a household or household member's continued receipt of services

14 poses a risk of safety to others.

15 (e) Fair hearings held pursuant to this section shall be conducted in

16 accordance with 3 V.S.A. §§ 3090–3091.

17 § 2216. RULEMAKING

18 The Department shall adopt rules pursuant to 3 V.S.A. chapter 25 for the

19 implementation of the Vermont Homelessness Response Continuum,

20 addressing at a minimum:

- 1 (1) requirements for community providers participating in the Program;
- 2 (2) standards for highly structured, low-barrier, and specialized shelters;
- 3 (3) documentation requirements for household eligibility, including
- 4 disability;
- 5 (4) required elements for supportive services, including case
- 6 management;
- 7 (5) the creation of a brief, standardized initial assessment form that may
- 8 be completed by hand, electronically, or by telephone;
- 9 (6) a process for issuing timely, written approval or denial notifications
- 10 to applicants;
- 11 (7) a process for issuing advance notice to households when the
- 12 household is being terminated from the Program;
- 13 (8) applicant and household appeal procedures;
- 14 (9) time limits for Program participation, including procedures for
- 15 extensions;
- 16 (10) a process for reinstatement of services after a household's
- 17 termination from the Program;
- 18 (11) expectations for the Office's oversight and quality monitoring,
- 19 including performance measurements applicable to all community partners and
- 20 grantees; and

1 (12) other subjects as deemed necessary.

2 § 2217. REPORTING

3 (a) Annually, as part of the Department's budget presentation, the
4 Department shall provide a status report addressing each level of the Vermont
5 Homelessness Response Continuum. Minimally, the status report shall
6 address:

7 (1) the number of households served within each level of the Program;

8 (2) the average length of participation for households within each level
9 of the Program and the rate at which households successfully transition to
10 permanent housing;

11 (3) the number of households diverted from entering shelters or hotel
12 and motel placements through prevention and diversion services;

13 (4) the utilization of hotels and motels, including:

14 (A) the average nightly number of rooms used;

15 (B) the average and median length of stay;

16 (C) the extent to which hotel and motel usage has decreased relative
17 to the prior fiscal year; and

18 (D) the number of eligible households denied a hotel or motel room
19 due to authorized rooms being fully occupied;

1 (5) housing stability outcomes, including rates of return to homelessness
2 within six and 12 months following exit from the Program;

3 (6) an assessment of regional capacity and access to services, including
4 identification of geographic areas with unmet needs or disproportionate
5 utilization of emergency housing resources;

6 (7) total expenditures by Program level and funding source, including
7 State, federal, and other funds, and an analysis of cost efficiency across
8 housing models; and

9 (8) any operational barriers to implementation of the Program, along
10 with recommendations for administrative or legislative action.

11 (b) Annually, as part of the Department's budget presentation, the
12 Department shall set goals for increased housing capacity, including permanent
13 supportive housing, permanent affordable housing, and shelter beds. The
14 Department shall provide data pertaining to the increased shelter capacity and
15 the extent to which shelter capacity meets the needs of eligible households
16 experiencing homelessness each year.

17 (c) On or before the last day of each month, the Office, or other relevant
18 agency or department, shall post on its website a substantially similar report to
19 that due pursuant to 2023 Acts and Resolves No. 81, Sec. 6(b), including the
20 Office's monthly expenditure on the Program by level.

1 * * * Continuums of Care; Required Merger * * *

2 Sec. 5. MERGER OF CONTINUUMS OF CARE

3 (a) In order to promote the effective use of resources and continuity of care,
4 the Department for Children and Families' Office of Economic Opportunity
5 shall work in collaboration with the Chittenden County Homeless Alliance, the
6 Balance of State Continuum of Care, and the U.S. Department of Housing and
7 Urban Development to establish a single continuum of care in the State on or
8 before October 1, 2028.

9 (b) On or before January 15, 2028, the Office shall submit a written report
10 to the House Committee on Human Services and to the Senate Committee on
11 Health and Welfare summarizing efforts to establish a single continuum of care
12 pursuant to this section.

13 * * * Effective October 1, 2028; Requirements of Grantees * * *

14 Sec. 6. 33 V.S.A. § 2218 is added to read:

15 § 2218. GRANT REQUIREMENTS

16 Any grant or other agreement executed by the Agency of Human Services
17 or its departments shall require a community partner, as appropriate, to:

18 (1) participate in the local housing coalition or other group established
19 to assist eligible households who are homeless;

20 (2) utilize the coordinated entry assessment for eligible households who
21 are homeless or at risk of homelessness;

1 the Office and community partners shall implement the Program to the fullest
2 extent of their ability in fiscal year 2027 while developing the capacity to fully
3 implement the Program in fiscal year 2028.

4 Sec. 8. INTERIM EMERGENCY RULEMAKING; DEADLINE FOR
5 ADOPTION OF PERMANENT RULES

6 (a)(1) Pending the adoption of permanent rules on the Vermont
7 Homelessness Response Continuum, the Commissioner for Children and
8 Families shall adopt and maintain emergency rules pursuant to 3 V.S.A. § 844,
9 which shall be deemed to meet the standard for emergency rulemaking
10 pursuant to 3 V.S.A. § 844(a). Emergency rules required by this subsection
11 shall take effect on September 1, 2026, and shall, at a minimum, address the
12 required topics listed in 33 V.S.A. § 2216.

13 (2) Between July 1, 2026, and August 31, 2026, the Commissioner for
14 Children and Families shall administer the Vermont Homelessness Response
15 Continuum by applying the General Assistance Emergency Housing rules
16 approved by the Legislative Committee on Administrative Rules on March 13,
17 2025, for the administration of this act.

18 (b)(1) Unless extended by the Legislative Committee on Administrative
19 Rules pursuant to 3 V.S.A. § 843(c), the Department shall, on or before

1 October 1, 2027, adopt permanent rules pursuant to 3 V.S.A. chapter 25 on the
2 Vermont Homelessness Response Continuum as required by 33 V.S.A. § 2216.

3 (2) Prior to filing the permanent rule with the Secretary of State
4 pursuant to 3 V.S.A. § 838, the Department shall:

5 (A) work in collaboration with stakeholders to develop the rule,
6 including holding at least five regional stakeholder hearings throughout the
7 State; and

8 (B) on or before April 1, 2027, submit a draft of the rules to the
9 House Committee on Human Services and the Senate Committee on Health
10 and Welfare for review and consideration of Committee comments.

11 Sec. 9. IMPLEMENTATION STATUS REPORT; VERMONT

12 HOMELESSNESS RESPONSE CONTINUUM

13 On or before February 15, 2027, the Department for Children and Families'
14 Office of Economic Opportunity shall present a progress report to the House
15 Committee on Human Services and to the Senate Committee on Health and
16 Welfare on the Office's implementation of the Vermont Homelessness
17 Response Continuum established pursuant to 33 V.S.A. chapter 22. The
18 Office's presentation shall include an initial draft of the Department's
19 permanent rules for the implementation of the Vermont Homelessness
20 Response Continuum and any recommendations for legislative action.

1 (b)(1) The Agency shall collaborate with the Vermont State Housing
2 Authority to develop a framework for establishing a unified housing voucher
3 program that consolidates the voucher assistance currently provided though the
4 Agency's departments. In developing this framework, the Agency and the
5 Vermont State Housing Authority shall:

6 (A) analyze the fiscal implications of consolidating existing voucher
7 programs into a unified program, including projected costs, potential
8 efficiencies, and impacts on funding sources;

9 (B) assess the projected impact on the total number of individuals
10 served and on distinct populations, including:

11 (i) individuals exiting homelessness;

12 (ii) individuals facing eviction;

13 (iii) individuals with mental health challenges;

14 (iv) individuals with disabilities; and

15 (v) any other population served by the department-administered
16 voucher programs;

17 (C) identify administrative, operational, and statutory changes
18 required to implement a unified program; and

19 (D) propose options and recommendations for the structure,
20 governance, and implementation of the unified program.

1 (2) The Agency and the Vermont State Housing Authority shall report
2 their findings and recommendations to the House Committee on Human
3 Services and to the Senate Committee on Health and Welfare on or before
4 January 15, 2027.

5 (c) The Vermont State Housing Authority and relevant departments of the
6 Agency of Human Services shall jointly work to:

7 (1) incorporate existing rental assistance that is funded by the Agency
8 and its departments and designated for Vermonters exiting homelessness into
9 the Program established in this section; and

10 (2) establish eligibility criteria, any prioritization that may be necessary
11 for this use of funds appropriated for this Program, and the appropriate length
12 of assistance under this section.

13 (d) The Program shall not provide the full amount of a household's rental
14 payment and shall not be a permanent voucher. Program priority shall be
15 given to current recipients of the HOME Program, established pursuant to
16 10 V.S.A. § 321(b)(2), who have not yet reached 24 months of rental
17 assistance. Program payments shall be made directly from the Vermont State
18 Housing Authority to a household's landlord.

19 (e) The Program shall be accessible to eligible households served by each
20 of the Agency's departments, with priority given to those exiting homelessness
21 and not to the exclusion of other eligible populations.

1 * * * Payment Rate Structure and Fiscal Year 2027 Expenditures * * *

2 Sec. 12. PAYMENT RATE STRUCTURE; SHELTER SERVICES

3 The Department for Children and Families, in collaboration with the
4 Agency of Human Services and relevant community partners, shall propose a
5 payment rate structure, including periodic rate reviews, for all shelter services
6 required by this act. The structure shall include a base rate and potential for
7 supplemental payment to the base if necessary and appropriate.

8 (1) On or before April 1, 2027, the Department shall submit an interim
9 report to the House Committee on Human Services and to the Senate
10 Committee on Health and Welfare regarding the implementation of the
11 payment rate structure and the Department's proposed timeline for
12 implementation.

13 (2) On or before November 1, 2027, the Department shall submit a final
14 report to the Joint Fiscal Committee regarding the implementation of the
15 payment rate structure and the Department's proposed timeline for
16 implementation.

17 Sec. 13. FISCAL YEAR 2027 CAPPED ROOM RATES

18 In fiscal year 2027, the Department for Children and Families or
19 community partners shall pay a hotel or motel establishment providing
20 emergency housing not more than the hotel's lowest advertised room rate and
21 not more than \$80.00 a day per room to shelter a household participating in the

1 Vermont Homelessness Response Continuum. The Department for Children
2 and Families or community partners may shelter a household in more than one
3 hotel or motel room depending on the household's size and composition.

4 Sec. 14. EXPENDITURES; VERMONT HOMELESSNESS RESPONSE
5 CONTINUUM

6 (a) This act provides for the fiscal year 2027 expenditure of \$82,634,153.00
7 for the provision of services, implementation of the Vermont Homelessness
8 Response Continuum, shelter development and operation, rental assistance,
9 and supportive services, including case management, as follows:

10 (1) \$39,284,606.00 for the Housing Opportunity Grant Program
11 operations, of which \$38,251,696.00 is base funding from the General Fund,
12 \$830,422.00 is federal funding, and \$202,488.00 is from the Global
13 Commitment Fund;

14 (2) \$4,400,000.00 for the shelter development, of which \$1,400,000.00
15 is base funding from the General Fund and \$3,000,000.00 is one-time funding
16 from the General Fund;

17 (3) \$23,370,000.00 for emergency housing in hotels and motels, of
18 which \$9,251,120.00 is base funding from the General Fund and
19 \$14,118,880.00 is one-time funding from the General Fund;

20 (4) \$2,400,000.00 for case management, of which \$2,400,000.00 is base
21 funding from the General Fund;

1 (5) \$4,200,000.00 for permanent supportive housing and family
2 supportive housing, of which \$778,987.00 is base funding from the General
3 Fund and \$3,421,013.00 is from the Global Commitment Fund;

4 (6) \$3,000,000.00 for rental assistance, of which \$3,000,000.00 is base
5 funding from the General Fund;

6 (7) \$500,000.00 for grants to municipalities pursuant to 33 V.S.A.
7 § 2209(a), of which \$500,000.00 is one-time funding from the General Fund;

8 (8) \$1,500,000.00 for emergency cold-weather shelters, of which
9 \$1,500,000.00 is one-time funding from the General Fund;

10 (9) \$314,618.00 for other expenses, of which \$314,618.00 is from
11 federal funding;

12 (10) \$3,164,929.00 for staffing, grants, and contracts, of which
13 \$1,100,000.00 is base funding from the General Fund and \$2,064,929.00 is
14 one-time funding from the General Fund; and

15 (11) \$500,000.00 for the Community Resource Center, of which
16 \$500,000.00 is base funding from the General Fund.

17 (b) Any funds that remain unspent at the end of fiscal year 2027 shall be
18 carried forward for the same purpose for which they were originally
19 appropriated.

20 (c) Any funds appropriated for General Assistance emergency housing or
21 the Housing Opportunity Grant Program that remain unspent at the end of

1 fiscal year 2026 shall be carried forward for investment in the Vermont
2 Homelessness Response Continuum in fiscal year 2027.

3 (d) On or before October 1, 2026; January 1, 2027; and April 1, 2027, the
4 Office shall submit a written report to the House Committees on
5 Appropriations and on Human Services and to the Senate Committee on
6 Appropriations and on Health and Welfare describing how the funds
7 referenced in subsection (a) of this section have been utilized to date, including
8 whether expended funds were one-time or base General Fund, federal funds, or
9 Global Commitment funds.

10 * * * Removing General Assistance Annual Report * * *

11 Sec. 15. 33 V.S.A. § 2115 is amended to read:

12 § 2115. ~~GENERAL ASSISTANCE PROGRAM REPORT~~

13 ~~On or before September 1 of each year, the Commissioner for Children and~~
14 ~~Families shall submit a written report to the Joint Fiscal Committee; the House~~
15 ~~Committees on Appropriations, on General, Housing, and Military Affairs, and~~
16 ~~on Human Services; and the Senate Committees on Appropriations and on~~
17 ~~Health and Welfare. The report shall contain the following:~~

18 ~~(1) an evaluation of the General Assistance program during the previous~~
19 ~~fiscal year;~~

20 ~~(2) any recommendations for changes to the program;~~

21 ~~(3) a plan for continued implementation of the program;~~

