



State of Vermont
Human Rights Commission
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MEMORANDUM

TO: House Appropriations Committee
FROM: Big Hartman, Esq. HRC Executive Director & General Counsel
DATE: April 22, 2025
RE: Receipt of Federal Funds

The mission of the Vermont Human Rights Commission is to advance full civil and human rights in Vermont. We are the only State agency responsible for enforcement of Vermont's anti-discrimination protections in housing and places of public accommodations. We also enforce State anti-discrimination protections as they apply to the State of Vermont as an employer. At least half of HRC's current case load involve fair housing allegations.

What we have seen in the last four months is that Vermonters experiencing discrimination can no longer rely on federal civil rights protections. Federal agencies such as the Department of Housing and Urban Development (HUD), the Equal Employment Opportunity Commission (EEOC), the Department of Justice Office of Civil Rights, and the Department of Education Office for Civil Rights are de-prioritizing enforcement of anti-discrimination protections for people of color, trans and queer people, people who were not born in the United States, and people with other marginalized identities. These agencies are being gutted of staff and resources; their websites are being significantly altered to provide less information for people about their rights and responsibilities under the law; and their historical enforcement priorities have been drastically upended. Also, the federal government has declined grant funding to many non-profit organizations who provide advocacy services and support to people who have experienced discrimination. All of this means an increase in the demands upon HRC's small team to provide even more services for the public, including intake, complaint drafting and processing, requests for training and education, and enforcement through litigation.

To support our enforcement of Fair Housing laws, the HRC has had a cooperating agreement with HUD since 2001 as participants of the Fair Housing Assistance Program (FHAP). Our office goes through a performance review and agreement renewal process with HUD every two years. Pursuant to the current FHAP agreement with HUD, because Vermont law is "substantially equivalent" to the federal Fair Housing Act, the HRC conducts investigations of any and all fair housing complaints that implicate both federal and state law. We are required to report frequently to HUD about these investigations. We

are required to conduct investigations into any fair housing complaint that HUD refers to us, and we may “dual-file” complaints that we accept with HUD if the allegations also fall under protections afforded by the federal Fair Housing Act. The performance year of each contract aligns with the State of Vermont’s fiscal year (July to June).

Under our agreement with HUD, payments to HRC vary based on our performance. Essentially, the more complaints we close, the more money we will be paid under the contract at the end of the performance year. There are base administrative funds that provide a set amount of money to support general operations and staff professional development. Historically, HRC’s administrative funds have been in the lowest tier set by HUD because we have closed under 30 housing cases per year. In addition to base administrative funds, we are also entitled to payment for each case we close in the year. For each complaint that has a settlement or determination, we receive a payment of between \$1600 and \$3400 per case, depending on the type of closure. If we find grounds to believe that discrimination occurred and file an enforcement action in court, HUD is obligated to pay a flat rate of \$8,000 for each case filed (regardless of whether the case resolves quickly or takes years to litigate). In July of each year, we tally up all of our case activity and receive a lump sum payment for the year’s performance. We receive those funds in August or September and apply it to that fiscal year.

In FY26, we have budgeted receipt of \$92,773 from HUD pursuant to the FHAP agreement. That amount represents less than one investigator’s salary, benefits, and associated expenses. Based on our case activity this year so far, we estimate that we would be entitled to over \$100,000, because we have closed a higher number of housing complaints and filed more fair housing lawsuits than in any prior year. However, there are many reasons to fear that we will not receive what we have earned under the contract.

HUD has been targeted for substantial cuts by the current administration. It is estimated that up to 75% of HUD fair housing staff are expected to be laid off in the next few months. These layoffs have already started occurring, including individuals that HRC coordinates with in carrying out our duties as a FHAP agency. In addition, HUD informed us in February of 2025 that they would not accept for payment any fair housing complaints involving allegations of discrimination based on gender identity. This is a drastic change in policy, and it seems likely that HUD will similarly change course on claims involving sexual orientation discrimination. The trans and queer community needs HRC to continue to investigate these claims, and we will continue to do so even if it is without HUD funds.

The likelihood of HUD FHAP contracts not being honored seems to grow every day. FHAPs in several other states are making plans for this in their state budget requests. For example, the Massachusetts Commission Against Discrimination has requested \$1M in state funds to replace its anticipated HUD funds under its FHAP agreement. The uncertainty of these funds, amidst an increase in demands for our services, is very concerning considering that we already decline many cases each month due to continuing staff turnover, case delays, and a growing backlog of complaints.