

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill
3 No. 938 entitled “An act relating to establishing the Vermont Homelessness
4 Response Continuum” respectfully reports that it has considered the same and
5 recommends that the Senate propose to the House that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 * * * Findings, Legislative Intent, and Purpose * * *

9 Sec. 1. FINDINGS

10 The General Assembly finds that:

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

16 (2) the 2024 Vermont Housing Needs Assessment notes that of the
17 36,000 primary homes needed in Vermont between 2025 and 2029, the number
18 needed to address homelessness is 3,295.

19 Sec. 2. LEGISLATIVE INTENT

20 It is the intent of the General Assembly that:

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

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

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

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

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

11 (B) meets the specific needs of households experiencing
12 homelessness; and

13 (C) supports community partners.

14 Sec. 3. PURPOSE

15 It is the purpose of this act to:

16 (1) establish a continuum of supports and services for households who
17 are experiencing homelessness or who are at risk of experiencing
18 homelessness;

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

- 1 (3) support self-sufficiency and reduce returns to homelessness by
2 developing personalized housing plans with required participation by
3 households;
- 4 (4) establish clear eligibility criteria and require active household
5 participation;
- 6 (5) expand the use of alternative emergency housing models in
7 partnership with municipalities, nonprofit community-based providers, and
8 private landlords;
- 9 (6) integrate supportive services to assist households to achieve
10 permanent housing stability;
- 11 (7) establish transparent accountability measures, reporting
12 requirements, and oversight mechanisms;
- 13 (8) increase Program efficiency and promote maximum flexibility in
14 administering services and supports in the continuum;
- 15 (9) empower local communities to administer emergency housing
16 services with maximum flexibility; and
- 17 (10) create a diversified system of emergency housing options,
18 including shelters, specialized shelters, shared housing arrangements, host-
19 home models, master-lease units, and rapid rehousing placements, that provide
20 cost-effective, sustainable, and supportive outcomes to households.

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

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

3 CHAPTER 22. VERMONT HOMELESSNESS RESPONSE CONTINUUM

4 § 2201. DEFINITIONS

5 As used in this chapter:

6 (1) “Alternative housing options” means housing options including
7 shelters, specialized shelters, transitional housing, recovery residences, shared
8 housing arrangements, host-home models, master-lease units, and rapid
9 rehousing placements.

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

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

14 (4) “Case management services” means individualized supportive
15 services.

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

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

2 (7) “Disability” means a physical, sensory, cognitive, developmental, or
3 mental health condition or substance use disorder that substantially limits one
4 or more major life activities, or that requires ongoing support, accommodation,
5 or treatment to maintain an individual’s health, safety, or independence. The
6 term includes chronic or episodic conditions that significantly impact daily
7 functioning, regardless of whether the individual is receiving, or is eligible to
8 receive, federal disability benefits.

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

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

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

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

5 (12) “Highly structured shelter” means a shelter that provides
6 programming that emphasizes case management, housing stability,
7 employment, education, or treatment services, as well as other services as
8 appropriate, in a manner that accommodates an eligible household’s disability,
9 if any.

10 (13) “Homeless” means:

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

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

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

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

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

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

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

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

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

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

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

16 (20) “Program” means the Vermont Homelessness Response
17 Continuum.

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

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

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

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

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

10 (B) household needs assessments;

11 (C) case management;

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

13 (E) housing navigation services;

14 (F) assistance obtaining and retaining housing, including financial
15 assistance;

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

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

1 (I) progress monitoring of interventions; and

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

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

6 § 2202. ESTABLISHMENT; VERMONT HOMELESSNESS RESPONSE

7 CONTINUUM

8 (a) The Vermont Homelessness Response Continuum is established to
9 create an array of services that prevent and address homelessness in Vermont.
10 The Program shall be administered by the Department’s Office of Economic
11 Opportunity.

12 (b) The Office shall maintain a continuum of services that is flexible,
13 housing focused, and designed to prevent homelessness whenever possible.
14 The continuum shall prioritize early intervention, rapid resolution of housing
15 crises, and equitable access to emergency and permanent housing.

16 (c) The Program shall:

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

19 (2) reduce reliance on hotels and motels for emergency housing
20 assistance;

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

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

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

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

10 § 2203. PROGRAM COMPONENTS

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

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

13 (2) level 2: shelter services:

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

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

16 (3) level 3: specialized shelter services;

17 (4) level 4: hotels and motels;

18 (5) permanent supportive housing services; and

19 (6) other emergency housing services.

20 (b) The Office shall address each of the services in subsection (a) of this
21 section by separate line items in its budget. The Department shall be

1 responsible for any transfers to other Agency of Human Services departments
2 necessary to implement the services listed in subsection (a) of this section.

3 The Department and other departments within the Agency of Human Services
4 shall maximize federal receipts, as applicable, for services listed in subsection
5 (a) of this section.

6 (c) Upon assessing a household’s needs, the Office or community partners
7 shall offer to place the household in the appropriate level of care to address the
8 household’s specific needs if capacity, staffing, and geographic accessibility
9 are available.

10 § 2204. PREVENTION AND DIVERSION SERVICES

11 Level 1: prevention and diversion services.

12 (1) Prevention and diversion services shall function as the primary entry
13 point to the Vermont Homelessness Response Continuum for all households,
14 although connection may be made at any level. The Office shall ensure that
15 prevention and diversion services are provided through an agreement with one
16 or more community partners in each region of the State in a manner that
17 accommodates an eligible household’s disability, if any. All households, upon
18 request for assistance, shall receive a brief, standardized initial prevention and
19 diversion assessment to identify safe alternatives to homelessness and resolve
20 immediate housing barriers.

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

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

4 (3) Funds administered for prevention and diversion services shall have
5 maximum flexibility.

6 § 2205. SHELTER SERVICES

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

8 (1) To the extent funds are appropriated for this purpose, the Office shall
9 determine the need for highly structured shelter services and develop sufficient
10 highly structured shelter beds to address that need. The Department through
11 the Office shall enter into agreements for a period of not less than two years at
12 a time with community partners for the provision of highly structured shelter
13 services.

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

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

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

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

9 (1) To the extent funds are appropriated for this purpose, the Office shall
10 determine the need for low-barrier shelter services and develop sufficient low-
11 barrier shelters to address that need. The Department through the Office shall
12 enter into agreements for a period of not less than two years at a time with
13 community partners for the provision of low-barrier shelter services.

14 (2) Low-barrier shelters shall minimize barriers to entry by reducing the
15 rules and programmatic requirements found in highly structured shelters, while
16 still providing case management and other housing support services in a
17 manner that accommodates an eligible household’s disability, if any. Stays in
18 low-barrier shelters shall be time limited, and eligible households shall be
19 transitioned to highly structured shelter services or permanent housing as soon
20 as feasible.

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

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

9 § 2206. SPECIALIZED SHELTER SERVICES

10 Level 3: specialized shelter services.

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

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

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

20 (2) Specialized service shelters shall offer services delivered in a highly
21 structured shelter as well as additional specialty services, such as services for

1 substance use disorder and mental and physical health conditions. Eligible
2 households receiving specialized shelter services shall participate in case
3 management and other services to the extent of **their** ability.

4 (3) If an eligible household’s needs cannot be met with the level 1
5 prevention and diversion services in section 2204 of this chapter or the level 2
6 shelter services in section 2205 of this chapter, a specialized service shelter
7 may be utilized if capacity, staffing, and geographic accessibility are available
8 and the eligible household requires specialized services.

9 § **2207**. HOTELS AND MOTELS

10 Level **4**: hotels and motels.

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

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

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

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

1 (C) propose hotel and motel rates as part of its budget presentation
2 for the General Assembly’s consideration;

3 (D) use only hotel and motel rates established by the General
4 Assembly;

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

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

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

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

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

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

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

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

4 (ii) between December 1 and March 31 of each year, the
5 utilization of hotel and motel rooms pursuant to this section shall be capped at
6 1,000 rooms per night.

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

10 (6) If an eligible household’s needs cannot be met by levels 1–3 of the
11 Program as described in sections 2204–2206 of this chapter, the Office may
12 utilize hotels and motels if capacity, staffing, and geographic accessibility are
13 available.

14 § 2208. PERMANENT SUPPORTIVE HOUSING SERVICES

15 The Agency of Human Services’ departments or their community partners
16 shall provide permanent supportive housing services to an eligible household
17 participating in the Program. Permanent supportive housing services provided
18 pursuant to this section shall combine long-term, community-based rental
19 assistance with voluntary, flexible supportive services, such as family
20 supportive housing and other supportive housing services funded in whole or
21 in part by Medicaid, if the household and services are eligible for Medicaid.

1 An eligible household receiving permanent supportive housing services shall
2 participate in case management, planning for housing stability, and other
3 services to the extent of the eligible household’s ability. Permanent supportive
4 housing services may be utilized by an eligible household for as long as the
5 eligible household’s plan indicates it is necessary.

6 § 2209. OTHER EMERGENCY HOUSING SERVICES

7 (a) Municipal supports. The Department through the Office shall provide
8 grants to municipalities in areas of the State with a high volume of unsheltered
9 homelessness, including municipalities underserved by traditional funding
10 sources. An eligible municipality may submit to the Office a grant application
11 containing the estimated cost of the municipality’s proposal and other
12 identified funding sources. The use of grant funding awarded pursuant to this
13 subsection is at the discretion of the municipality and shall include the
14 provision of basic life-sustaining shelter when the National Weather Service
15 declares a cold weather advisory. Shelter provided pursuant to this subsection
16 shall be time limited, shall not require a coordinated entry assessment or case
17 management, and shall have minimal data reporting requirements.

18 (b) Emergency cold-weather shelters. Emergency cold-weather shelters
19 shall be managed through an agreement between the Office and one or more
20 community partners to provide overnight, low-barrier shelter when weather
21 conditions warrant. The Office and community partners shall ensure equitable

1 access to emergency cold-weather shelters for communities with a high
2 number of households experiencing unsheltered homelessness. Shelter
3 provided pursuant to this subsection shall be time limited, shall not require a
4 coordinated entry assessment or case management, and shall have minimal
5 data reporting requirements.

6 (c) Alternative Agency of Human Services housing solutions. The Agency
7 of Human Services, through its various departments, provides households with
8 other time-limited or permanent housing. Such services include recovery
9 housing, various residential supports for individuals with intellectual or
10 developmental disabilities, home care services for older Vermonters and
11 individuals with physical disabilities, transitional housing for individuals
12 exiting correctional custody, and residential options for individuals with
13 mental health challenges. Emergency housing provided through the Program
14 is not intended to take the place of any other Agency of Human Services time-
15 limited or permanent housing.

16 § 2210. HOUSEHOLD RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

7 (1) criminal activity; or

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

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

13 § 2211. PRIORITIZATION

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

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

19 (2) has a disability;

20 (3) is a minor child;

21 (4) is pregnant;

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

3 or

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

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

7 (A) a health care provider licensed or certified and practicing in
8 Vermont;

9 (B) a determination or certification from a State- or federally
10 recognized agency or program that provides services to individuals with
11 disabilities; or

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

15 (2) The presence of an eligible household member’s disability shall be
16 verified by the Office or a community partner during the household’s initial
17 application process and shall be redetermined annually if the household is still
18 receiving services. An eligible household with a member who has a lifelong
19 disability, such as an intellectual or developmental disability, shall not be
20 required to have the disability redetermined.

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

8 § 2212. TIME LIMITS FOR PROGRAM PARTICIPATION

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

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

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

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

1 (4) Level 4: Hotels and motels:

2 (A) Between April 1 and November 30 of each year, eligible
3 households may receive housing at hotels and motels with supportive services
4 for not more than 70 days per rolling 12-month period as calculated from the
5 date of the eligible household’s application through the same day of the month
6 12 months later.

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

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

13 (1) an eligible household actively awaiting a placement in housing,
14 treatment, or other services;

15 (2) medical necessity;

16 (3) lack of reasonable alternative accessible placements for a member of
17 the eligible household with a disability; and

18 (4) imminent risk to the health or safety of one or more of the eligible
19 household’s members.

1 § 2213. CASE MANAGEMENT SERVICES

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

10 § 2214. NEEDS ASSESSMENT

11 The Office and community partners shall provide advice and consultation to
12 the Department of Housing and Community Development in its completion of
13 a needs assessment that identifies gaps in services for households that are
14 homeless in the State and includes recommendations to ensure the provision of
15 equitable services throughout the State.

16 § 2215. NOTICE; APPEALS; RIGHT TO FAIR HEARING

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

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

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

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

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

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

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

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

14 (3) the household believes that benefits have not been provided in
15 accordance with applicable rules or policies.

16 (c) An applicant or household shall file a request for a fair hearing with the
17 Human Services Board within 60 days after the date of the written notice
18 pursuant to subsection (a) of this section.

19 (d) If a household files a request for a fair hearing within 14 days after
20 receiving notice pursuant to subsection (a) of this section, the Office or
21 community partner providing notice shall continue to provide services under

1 the Program without interruption until a decision is issued by the Human
2 Services Board, unless:

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

4 (2) a household or household member’s continued receipt of services
5 poses a risk of safety to others.

6 (e) Fair hearings held pursuant to this section shall be conducted in
7 accordance with 3 V.S.A. §§ 3090–3091.

8 § 2216. RULEMAKING

9 The Department shall adopt rules pursuant to 3 V.S.A. chapter 25 for the
10 implementation of the Vermont Homelessness Response Continuum,
11 addressing at a minimum:

12 (1) requirements for community providers participating in the Program;

13 (2) standards for highly structured, low-barrier, and specialized shelters;

14 (3) documentation requirements for household eligibility, including
15 disability;

16 (4) required elements for supportive services, including case
17 management;

18 (5) the creation of a brief, standardized initial assessment form that may
19 be completed by hand, electronically, or by telephone;

20 (6) a process for issuing timely, written approval or denial notifications
21 to applicants;

1 (7) a process for issuing advance notice to households when the
2 household is being terminated from the Program;

3 (8) applicant and household appeal procedures;

4 (9) time limits for Program participation, including procedures for
5 extensions;

6 (10) a process for reinstatement of services after a household's
7 termination from the Program;

8 (11) expectations for the Office's oversight and quality monitoring,
9 including performance measurements applicable to all community partners and
10 grantees; and

11 (12) other subjects as deemed necessary.

12 § 2217. REPORTING

13 (a) Annually, as part of the Department's budget presentation, the
14 Department shall provide a status report addressing each level of the Vermont
15 Homelessness Response Continuum. Minimally, the status report shall
16 address:

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

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

- 1 (3) the number of households diverted from entering shelters or hotel
2 and motel placements through prevention and diversion services;
- 3 (4) the utilization of hotels and motels, including:
- 4 (A) the average nightly number of rooms used;
5 (B) the average and median length of stay;
6 (C) the extent to which hotel and motel usage has decreased relative
7 to the prior fiscal year; and
- 8 (D) the number of eligible households denied a hotel or motel room
9 due to authorized rooms being fully occupied;
- 10 (5) housing stability outcomes, including rates of return to homelessness
11 within six and 12 months following exit from the Program;
- 12 (6) an assessment of regional capacity and access to services, including
13 identification of geographic areas with unmet needs or disproportionate
14 utilization of emergency housing resources;
- 15 (7) total expenditures by Program level and funding source, including
16 State, federal, and other funds, and an analysis of cost efficiency across
17 housing models; and
- 18 (8) any operational barriers to implementation of the Program, along
19 with recommendations for administrative or legislative action.
- 20 (b) Annually, as part of the Department’s budget presentation, the
21 Department shall set goals for increased housing capacity, including permanent

1 supportive housing, permanent affordable housing, and shelter beds. The
2 Department shall provide data pertaining to the increased shelter capacity and
3 the extent to which shelter capacity meets the needs of eligible households
4 experiencing homelessness each year.

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

9 * * * Continuums of Care; Required Merger * * *

10 Sec. 5. MERGER OF CONTINUUMS OF CARE

11 (a) In order to promote the effective use of resources and continuity of care,
12 the Department for Children and Families’ Office of Economic Opportunity
13 shall work in collaboration with the Chittenden County Homeless Alliance, the
14 Balance of State Continuum of Care, and the U.S. Department of Housing and
15 Urban Development to establish a single continuum of care in the State on or
16 before October 1, 2028.

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

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

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

3 § 2218. GRANT REQUIREMENTS

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

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

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

10 (3) utilize the appropriate planning process and options for an eligible
11 household transitioning into permanent housing, including for eligible
12 households with an individual who has an intellectual or developmental
13 disability, older Vermonters, or individuals transitioning from a correctional
14 facility or hospital; and

15 (4) measure performance outcomes, including diversion success, time to
16 housing, and housing retention.

17 * * * Fiscal Year 2027 Time Limits for Use of Hotels and Motels * * *

18 **Sec. 6a. FISCAL YEAR 2027 TIME LIMITS; HOTELS AND MOTELS**

19 In fiscal year 2027, an eligible household utilizing General Assistance
20 emergency housing in a hotel or motel during the previous fiscal year shall not
21 be subject to a reset of the 70-day limit established in 33 V.S.A.

1 § 2212(a)(4)(A) until the 12-month anniversary of the eligible household's
2 fiscal year 2026 application.

3 * * * Transition and Rulemaking; Vermont Homelessness Response
4 Continuum * * *

5 Sec. 7. TRANSITION TO THE VERMONT HOMELESSNESS RESPONSE
6 CONTINUUM

7 Recognizing that the Department and community partners do not have the
8 capacity to fully implement the Vermont Homelessness Response Continuum
9 established in 33 V.S.A. chapter 22 on July 1, 2026, the Department through
10 the Office and community partners shall implement the Program to the fullest
11 extent of their ability in fiscal year 2027 while developing the capacity to fully
12 implement the Program in fiscal year 2028.

13 Sec. 8. INTERIM EMERGENCY RULEMAKING; DEADLINE FOR
14 ADOPTION OF PERMANENT RULES

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

1 (2) Between July 1, 2026, and August 31, 2026, the Commissioner for
2 Children and Families shall administer the Vermont Homelessness Response
3 Continuum by applying the General Assistance Emergency Housing rules
4 approved by the Legislative Committee on Administrative Rules on March 13,
5 2025, for the administration of this act.

6 (b)(1) Unless extended by the Legislative Committee on Administrative
7 Rules pursuant to 3 V.S.A. § 843(c), the Department shall, on or before
8 October 1, 2027, adopt permanent rules pursuant to 3 V.S.A. chapter 25 on the
9 Vermont Homelessness Response Continuum as required by 33 V.S.A. § 2216.

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

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

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

18 Sec. 9. IMPLEMENTATION STATUS REPORT; VERMONT

19 HOMELESSNESS RESPONSE CONTINUUM

20 On or before February 15, 2027, the Department for Children and Families'
21 Office of Economic Opportunity shall present a progress report to the House

1 Committee on Human Services and to the Senate Committee on Health and
2 Welfare on the Office's implementation of the Vermont Homelessness
3 Response Continuum established pursuant to 33 V.S.A. chapter 22. The
4 Office's presentation shall include an initial draft of the Department's
5 permanent rules for the implementation of the Vermont Homelessness
6 Response Continuum and any recommendations for legislative action.

7 * * * Supportive and Shelter Services for Households Experiencing Domestic
8 or Sexual Violence * * *

9 Sec. 10. 33 V.S.A. chapter 6 is amended to read:

10 CHAPTER 6. PREVENTION AND TREATMENT OF SEXUAL ABUSE
11 AND DOMESTIC AND SEXUAL VIOLENCE

12 * * *

13 § 602. SUPPORTIVE SERVICES AND SHELTER FOR HOUSEHOLDS
14 EXPERIENCING DOMESTIC OR SEXUAL VIOLENCE

15 The Department shall select and enter into an agreement with a statewide
16 organization to provide or cause to be provided supportive services and shelter
17 to those households that are experiencing or that have experienced domestic or
18 sexual violence. If the statewide organization cannot fulfill its responsibilities
19 under this section, the Department shall work with another entity to ensure that
20 there is not a gap in services.

21 * * * Vermont Rental Assistance Bridge Program * * *

1 Sec. 11. VERMONT RENTAL ASSISTANCE BRIDGE PROGRAM

2 (a) The Vermont Rental Assistance Bridge Program is established within
3 the Vermont State Housing Authority for the purpose of linking households
4 who require rental assistance to permanent housing when the household does
5 not otherwise have access to relevant U.S. Department of Housing and Urban
6 Development rental assistance.

7 (b)(1) The Agency shall collaborate with the Vermont State Housing
8 Authority to develop a framework for establishing a unified housing voucher
9 program that consolidates the voucher assistance currently provided though the
10 Agency’s departments. In developing this framework, the Agency and the
11 Vermont State Housing Authority shall:

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

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

17 (i) individuals exiting homelessness;

18 (ii) individuals facing eviction;

19 (iii) individuals with mental health challenges;

20 (iv) individuals with disabilities; and

1 (v) any other population served by the department-administered
2 voucher programs;

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

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

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

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

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

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

19 (d) The Program shall not provide the full amount of a household's rental
20 payment and shall not be a permanent voucher. Program priority shall be
21 given to current recipients of the HOME Program, established pursuant to

1 10 V.S.A. § 321(b)(2), who have not yet reached 24 months of rental
2 assistance. Program payments shall be made directly from the Vermont State
3 Housing Authority to a household’s landlord.

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

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

8 Sec. 12. PAYMENT RATE STRUCTURE; SHELTER SERVICES

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

14 (1) On or before April 1, 2027, the Department shall submit an interim
15 report to the House Committee on Human Services and to the Senate
16 Committee on Health and Welfare regarding the implementation of the
17 payment rate structure and the Department’s proposed timeline for
18 implementation.

19 (2) On or before November 1, 2027, the Department shall submit a final
20 report to the Joint Fiscal Committee regarding the implementation of the

1 payment rate structure and the Department’s proposed timeline for
2 implementation.

3 Sec. 13. FISCAL YEAR 2027 CAPPED ROOM RATES

4 In fiscal year 2027, the Department for Children and Families or
5 community partners shall pay a hotel or motel establishment providing
6 emergency housing not more than the hotel’s lowest advertised room rate and
7 not more than \$80.00 a day per room to shelter a household participating in the
8 Vermont Homelessness Response Continuum. The Department for Children
9 and Families or community partners may shelter a household in more than one
10 hotel or motel room depending on the household’s size and composition.

11 Sec. 14. EXPENDITURES; VERMONT HOMELESSNESS RESPONSE

12 CONTINUUM

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

17 (1) \$39,284,606.00 for the Housing Opportunity Grant Program
18 operations, of which \$38,251,696.00 is base funding from the General Fund,
19 \$830,422.00 is federal funding, and \$202,488.00 is from the Global
20 Commitment Fund;

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

4 (3) \$23,870,000.00 for emergency housing in hotels and motels, of
5 which \$9,251,120.00 is base funding from the General Fund and
6 \$14,118,880.00 is one-time funding from the General Fund;

7 (4) \$2,400,000.00 for case management, of which \$2,400,000.00 is base
8 funding from the General Fund;

9 (5) \$4,200,000.00 for permanent supportive housing and family
10 supportive housing, of which \$778,987.00 is base funding from the General
11 Fund and \$3,421,013.00 is from the Global Commitment Fund;

12 (6) \$3,000,000.00 for rental assistance, of which \$3,000,000.00 is base
13 funding from the General Fund;

14 (7) \$500,000.00 for grants to municipalities, of which \$500,000.00 is
15 one-time funding from the General Fund;

16 (8) \$1,500,000.00 for emergency cold-weather shelters, of which
17 \$1,500,000.00 is one-time funding from the General Fund;

18 (9) \$314,618.00 for other expenses, of which \$314,618.00 is from
19 federal funding;

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

4 (11) \$500,000.00 for the Community Resource Center, of which
5 \$500,000.00 is base funding from the General Fund.

6 (b) Any funds that remain unspent at the end of fiscal year 2027 shall be
7 carried forward for the same purpose for which they were originally
8 appropriated in this section.

9 (c) Any funds appropriated for General Assistance emergency housing or
10 the Housing Opportunity Grant Program that remain unspent at the end of
11 fiscal year 2026 shall be carried forward for investment in the Vermont
12 Homelessness Response Continuum in fiscal year 2027.

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

20 * * * Removing General Assistance Annual Report * * *

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

1 § 2115. ~~GENERAL ASSISTANCE PROGRAM REPORT~~

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

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

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

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

11 ~~(4) statewide statistics using deidentified data related to the use of~~
12 ~~emergency housing vouchers during the preceding State fiscal year, including~~
13 ~~demographic information, client data, shelter and motel usage rates, clients'~~
14 ~~primary stated cause of homelessness, and average lengths of stay in~~
15 ~~emergency housing by demographic group and by type of housing; and~~

16 ~~(5) other information the Commissioner deems appropriate. [Repealed.]~~

17 * * * Effective Dates * * *

18 Sec. 16. EFFECTIVE DATES

19 (a) This section and Sec. 8 (deadline for adoption of permanent rules;
20 interim emergency rulemaking) shall take effect on passage.

21 (b) Sec. 6 (grant requirements) shall take effect on October 1, 2028.

1 (c) All remaining sections shall take effect on July 1, 2026.

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8 (Committee vote: _____)

9

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Senator _____

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FOR THE COMMITTEE