

## **Department for Children and Families (ESD/OEO)**

### Sec. A. REACH UP; RATABLE REDUCTION; RULEMAKING

(a) The Commissioner for Children and Families shall adopt an emergency amendment to its Reach Up rule (CVR 13-170-220) pursuant to 3 V.S.A. § 844 to increase the ratable reduction to 50.6 percent in fiscal year 2026 and to 51.6 percent in fiscal year 2027. The amendment shall be deemed to have met the emergency rulemaking standard in 3 V.S.A. § 844(a), while permanent rules are pending.

(b) In fiscal year 2026, \$536,321 is appropriated from the General Fund for the purpose of increasing the ratable reduction to 50.6 percent.

(c) It is the intent of the General Assembly that the ratable reduction be increased to 51.6 percent in fiscal year 2027.

### Sec. B. GENERAL ASSISTANCE EMERGENCY HOUSING

(a) To the extent emergency housing is available and within the funds appropriated, the Commissioner for Children and Families shall ensure that General Assistance Emergency Housing is provided in fiscal year 2026 to households that attest to lack of a fixed, regular, and adequate nighttime residence and have a member who:

(1) is 65 years of age or older;

(2) has a disability that can be documented by:

(A) receipt of Supplemental Security Income or Social Security Disability Insurance; or

(B) a form developed by the Department as a means of documenting a qualifying

disability or health condition that requires:

(i) the applicant's name, date of birth, and the last four digits of the applicant's Social Security number or other identifying number;

(ii) a description of the applicant's disability or health condition;  
(iii) a description of the risk posed to the applicant's health, safety, or welfare if temporary emergency housing is not authorized pursuant to this section; and  
(iv) a certification of a health care provider, as defined in 18 V.S.A. § 9481, that includes the provider's credentials, credential number, address, and phone number;

(3) is a child 19 years of age or under;

(4) is pregnant;

(5) has experienced the death of a spouse, domestic partner, or minor child that caused the household to lose its housing;

(6) has experienced a natural disaster, such as a flood, fire, or hurricane;

(7) is under a court-ordered eviction or constructive eviction due to circumstances over which the household has no control; or

(8) is experiencing domestic violence, dating violence, sexual assault, stalking, human trafficking, hate violence, or other dangerous or life-threatening conditions that relate to violence against the individual or a household member that caused the household to lose its housing.

(b) The Department shall provide emergency housing to households with an eligible member pursuant to subsection (a) of this section on a first-come, first-served basis and shall not establish priority groups among eligible households.

(c)(1) General Assistance Emergency Housing shall be provided in a community-based shelter whenever possible. If there is inadequate community-based shelter space available within the Agency of Human Services district in which the household presents itself, the household shall be provided emergency housing in a hotel or motel within the district, if available, until adequate community-based shelter space becomes available in the district. The utilization of hotel and

motel rooms pursuant to this subdivision shall be capped at 1,437 rooms per night throughout fiscal year 2026, including during the cold weather months.

(2)(A) Notwithstanding any rule or law to the contrary, the Department shall require all households applying for or receiving General Assistance Emergency Housing to engage in their own search for and accept any available alternative housing placements. All applicants and eligible households shall regularly provide information to the Department, not less frequently than monthly, about their efforts to secure an alternative housing placement. If the Department determines that a household, at the time of application or during the term of the household's authorization, has not made efforts to secure an alternative housing placement, or has access to an alternative housing placement, the Department shall deny the application or terminate the authorization at the end of the current authorization period.

(B) For purposes of this subdivision (2), "alternative housing placements" may include shelter beds and pods; placements with family or friends; permanent housing solutions, including tiny homes, manufactured homes, and apartments; residential treatment beds for physical health, long-term care, substance use, or mental health; nursing home beds; and recovery homes.

(3) An eligible household shall not be required to exhaust all available resources to obtain emergency housing pursuant to this section.

(d) Emergency housing provided pursuant to this section shall replace the catastrophic and noncatastrophic categories previously adopted by the Department in rule. The Department shall make conforming changes on its website reflecting that the catastrophic and noncatastrophic categories no longer exist.

(e) Emergency housing required pursuant to this section may be provided through approved community-based shelters, new unit generation, open units, licensed hotels or motels, or other

appropriate shelter space. The Department shall, when available, prioritize emergency housing at housing or shelter placements other than hotels or motels.

(f) Case management services provided by case managers employed by or under contract with the Agency of Human Services or reimbursed through an Agency-funded grant shall include assisting clients with finding appropriate housing.

(g) The Commissioner for Children and Families shall adopt emergency rules pursuant to 3 V.S.A. § 844 for the administration of this section, which shall be deemed to have met the emergency rulemaking standard in 3 V.S.A. § 844(a), while permanent rules are pending.

(h) On or before the last day of each month from July 2025 through June 2026, the Department for Children and Families, or other relevant agency or department, shall continue submitting a similar report to that due pursuant to 2023 Acts and Resolves No. 81, Sec. 6(b) to the Joint Fiscal Committee, House Committee on Human Services, and Senate Committee on Health and Welfare. Additionally, this report shall include the Department's monthly expenditure on General Assistance Emergency Housing.

(i) For emergency housing provided in a hotel or motel in fiscal year 2026, the Department for Children and Families shall not pay a hotel or motel establishment more than the hotel's lowest advertised room rate and not more than \$80 a day per room to shelter a household experiencing homelessness. The Department for Children and Families may shelter a household in more than one hotel or motel room depending on the household's size and composition.

(j) The Department for Children and Families shall apply the following rules to participating hotels and motels:

(1) Section 2650.1 of the Department for Children and Families' General Assistance (CVR 13-170-260);

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

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

(k)(1) The Department for Children and Families may work with either a shelter provider or a community housing agency to enter into a full or partial facility lease or sales agreement with a hotel or motel provider. Any facility conversion under this section shall comply with the Office of Economic Opportunity's shelter standards.

(2) If the Department for Children and Families determines that a contractual agreement with a licensed hotel or motel operator to secure temporary emergency housing capacity is beneficial to improve the quality, cleanliness, or access to services for those households temporarily housed in the facility, the Department shall be authorized to enter into such an agreement in accordance with the per-room rate identified in subsection (i) of this section; provided, however, that in no event shall such an agreement cause a household to become unhoused. The Department for Children and Families may include provisions to address access to services or related needs within the contractual agreement.

(l) Of the amount appropriated to implement this section, not more than \$500,000 shall be used for security costs.

(m) The Commissioner or the Commissioner's designee may issue a variance to any household eligible for General Assistance Emergency Housing when, in the discretion of the Commissioner or designee, failing to issue a variance could create a risk of imminent and significant danger to the household member's health, safety, or well-being.

(n) As used in this section:

(1) “Community-based shelter” means a shelter that meets the Vermont Housing Opportunity Grant Program’s Standards of Provision of Assistance.

(2) “Household” means an individual and any dependents for whom the individual is legally responsible and who live in Vermont. “Household” includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

Sec. C. CONTRACTING FOR EMERGENCY SHELTER OPERATIONS AND SERVICES

In contracting with emergency shelter organizations for operations and services, the Department for Children and Families shall prioritize contracts with organizations that are in close proximity to the community served to ensure that an organization familiar with the specific needs of a community serve its population of unhoused residents.

**Department for Children and Families (FSD)**

Sec. D. 33 V.S.A. § 125 is added to read:

§ 125. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

Annually, as part of its budget presentation, the Department shall inform the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare the cost of adding a one percent increase over the previous fiscal year’s funding for community-contracted direct service providers.

Sec. E. REPORT; SUPERVISED VISITATION PROGRAMS

On or before January 15, 2026, the Commissioner for Children and Families and the Chief Superior Judge shall jointly submit a report to the House Committees on Human Services and on Judiciary and to the Senate Committees on Health and Welfare and on Judiciary containing a

proposal for funding supervised visitation programs. The proposal shall address and recommend sustainable funding for statewide coordination, equitable funding among supervised visitation locations, and access for residents of counties that do not currently provide supervised visitation services.

Sec. F. 2023 Acts and Resolves No. 78, Sec. E.316 is amended to read:

Sec. E.316 STAKEHOLDER WORKING GROUP; FACILITY PLANNING  
FOR JUSTICE-INVOLVED YOUTH

(a) The Department for Children and Families, in consultation with the Department of Buildings and General Services, shall assemble a stakeholder working group to provide regular input on the planning, design, development, and implementation of the temporary stabilization facility for youth and on the development of a long-term plan for the high-end system of care.

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(f) The stakeholder working group shall cease to exist on June 30, ~~2025~~ 2027.

Sec. G. DEPARTMENT FOR CHILDREN AND FAMILIES; MENTOR VERMONT

The Department for Children and Families shall distribute \$200,000.00 from its appropriation in Sec. X of this act to MENTOR Vermont to prevent risks of substance misuse by expanding the number of youth matches with a mentoring adult throughout the State.

### **Department of Disabilities, Aging and Independent Living**

Sec. H. 33 V.S.A. § 506 is added to read:

§ 506. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

Annually, as part of its budget presentation, the Department shall inform the House

Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare the cost of adding a one percent increase over the previous fiscal year's funding for community-contracted direct service providers

Sec. I. DEVELOPMENTAL DISABILITY SERVICES; PAYMENT REFORM

(a) The Department of Disabilities, Aging, and Independent Living's payment reform process for development disability services shall not be implemented prior to July 1, 2026.

(b) Between July 1, 2025 and implementation of the payment reform process for developmental disability services, the Department shall align conflict-free case management with the existing payment model.

Sec. J. NURSING HOMES; SKILLED NURSING FACILITIES; EXTRAORDINARY FINANCIAL RELIEF

(a) Extraordinary financial relief shall be used in rare occasions or as a last resort to prevent nursing homes that are in good standing and in compliance with State and federal regulations from closing. On or before December 15, 2025, the Department of Vermont Health Access' Division of Rate Setting shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare containing proactive measures and targeted inventions that may be used to reduce the use and amount of future extraordinary financial relief for nursing homes.

(b) On or before January 15, 2026, the Departments of Vermont Health Access and of Disabilities, Aging, and Independent Living shall present to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare on the following:

(1) the number and name of all nursing homes in the State, including:



(A) whether a nursing home is a for-profit or nonprofit organization and the owner's

contact information;

(B) the payer mix of each nursing home;

(C) the ratio of employees versus contracted traveler positions at each nursing home and

the specific job titles of the contracted traveler positions; and

(D) the average length of patient stay at each nursing home;

(2) the number of skilled nursing facilities seeking extraordinary financial relief in fiscal years 2023, 2024, and 2025; and

(3) the number of skilled nursing facilities receiving extraordinary financial relief in fiscal years 2023, 2024, and 2025, including:

(A) the name of each skilled nursing facility;

(B) whether a receiving skilled nursing facility is a for-profit or nonprofit organization;

(C) the amount of extraordinary financial relief received by each skilled nursing facility;

(D) the reason extraordinary financial relief was sought by each skilled nursing facility;

and

(E) the reason extraordinary financial relief was awarded to each skilled nursing facility.

## **Department of Health (VDH)**

Sec. K. HEALTH; PUBLIC HEALTH

(a) AIDS/HIV funding:

(1) In fiscal year 2026 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) In fiscal year 2026 and as provided in this section, the Department of Health shall provide grants in the amount of \$295,000 for HIV and harm reduction services to the following organizations:

(A) Vermont CARES – \$140,000;

(B) AIDS Project of Southern Vermont – \$100,000; and

(C) HIV/HCV Resource Center – \$55,000.

(3) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance

Program shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by the State General Fund.

(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in the Vermont Medication Assistance Program to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to Vermont Medication Assistance Program medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the Vermont Medication Assistance Program Advisory Committee, which shall be composed of not less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2026, the Department of Health shall not reduce any grants to the Vermont AIDS service and peer-support organizations or syringe service programs from funds appropriated for AIDS/HIV services to levels below those in fiscal year 2024 without receiving prior approval from the Joint Fiscal Committee.

#### Sec. L. DEPARTMENT OF HEALTH; PREVENTION SERVICES

On or before January 15, 2026, the Department of Health shall provide a presentation to the House Committee on Human Services and the Senate Committee on Health and Welfare addressing how funding priorities and decisions about prevention services are made by the Department and how the Department assesses performance quality for appropriated funds.

Sec. M. 18 V.S.A. § 14 is added to read:

#### § 14. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

Annually, as part of its budget presentation, the Department shall inform the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare the cost of adding a one percent increase over the previous fiscal year's funding for community-contracted direct service providers.