



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

May 20, 2025

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H.91 – An act relating to the Emergency Temporary Shelter Program

As Recommended by the Senate Committee on Health and Welfare¹

Bill Summary

The bill proposes to establish the Vermont Homeless Emergency Assistance and Responsive Transition to Housing (VHEARTH) Program in the Department for Children and Families (DCF) to replace General Assistance (GA) emergency housing beginning in fiscal year 2027 and the Housing Opportunity Grant Program (HOP) beginning in fiscal year 2028.

Fiscal Summary

The bill would appropriate \$10 million in one-time funds from the General Fund. The bill does not propose any other changes to the Governor's recommended fiscal year 2026 budget proposal as it pertains to GA emergency housing or HOP. However, the bill does require DCF to submit a detailed plan to accelerate implementation of the VHEARTH program prior to July 1, 2026, which would impact the fiscal year 2026 budget adjustment bill if acted upon. Additionally, provisions of the bill would have implications for the fiscal year 2027 budget.

The bill expresses intent to use funds previously appropriated to GA emergency housing and HOP to fund the VHEARTH program beginning in fiscal years 2027 and 2028, respectively.

The bill also expresses intent to decrease reliance on hotel and motel rooms for emergency housing. As shelter capacity increases in each region of the State, the use of hotel and motel rooms for emergency housing in that region would be required to decrease.

Background and Details

Currently, GA provides emergency housing to families who meet specific eligibility criteria. Outside of the period known as Adverse Weather Conditions (AWC), which lasts from December 1 to March 31, the program is limited to a maximum of 1,100 rooms with a cap of 80 days per household. There are no caps during AWC, but it may be limited by room availability.

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

HOP contains funding to operate or provide emergency overnight shelters, essential services to shelter guests, transitional housing where appropriate; rapid rehousing of homeless individuals and families, services to prevent individuals and families experiencing a housing crisis from becoming homeless, coordinated entry to streamline client access to resources, and the administration of the Homeless Management Information System (HMIS).² The primary goals of the program are to:

- Decrease the number of individuals and families experiencing homelessness;
- Shorten the length of time people experience homelessness;
- Reduce the number of individuals and families returning to homelessness; and
- Prevent people from becoming homeless.

Fiscal Impact

The bill would establish the VHEARTH Program in DCF, to the extent funds exist. Participating households would be served by or through community action agencies responsible for geographically distinct regions of the state. DCF would also enter into an agreement with a statewide organization that has population-specific service experience to provide supportive services and shelter to households experiencing or having experienced domestic or sexual violence – currently the Vermont Network Against Domestic and Sexual Violence. The VHEARTH Program would take effect on July 1, 2026.

The bill also outlines requirements for implementation and needs assessment plans, as well as a plan for accelerated implementation of the VHEARTH Program, due on or before November 1, 2025. The plan would address the readiness of the community providers to implement VHEARTH prior to July 1, fiscal estimates for the remainder of fiscal year 2026, and an assessment as to whether the program is anticipated to be operable on or before July 1, 2026.

The bill would appropriate \$10 million in one-time funds from the General Fund for the following:

TOTAL ONE-TIME GENERAL FUND APPROPRIATIONS \$10,000,000

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|--|--------------------|
| Department for Children and Families | \$9,485,000 |
| Implementation of VHEARTH | \$5,085,000 |
| Vermont Network Against Domestic and Sexual Violence | \$400,000 |
| Grants to municipalities | \$1,000,000 |
| Creation and expansion of emergency shelters and permanent supportive housing capacity | \$3,000,000 |
| Department of Health | \$515,000 |
| Bridges to Health | \$515,000 |

- \$5,085,000 to DCF for the implementation of the VHEARTH Program, which may be distributed to entities such as the community action agencies;
- \$400,000 to the statewide organization serving households experiencing or who have experienced domestic or sexual violence (Vermont Network Against Domestic and Sexual Violence);
- \$515,000 to the Department of Health for distribution to Bridges to Health for services to individuals who are experiencing homelessness or at risk of becoming homeless;
- \$1,000,000 to DCF for the distribution of grants to municipalities planning and implementing of services for households that are at risk of homelessness or experiencing homelessness, in collaboration with the community action agency serving a municipality's region; and

² HOP Program Standards & Guidance, Department for Children and Families

- \$3,000,000 to enhance capacity for the creation and expansion of emergency shelters and permanent supportive housing capacity, a subset which would be distributed to the Vermont Housing and Conservation Board for infrastructure investments and administered in consultation with DCF to ensure new investments are paired with appropriate support services.

The bill expresses intent to use funds previously appropriated to GA emergency housing and HOP to fund the VHEARTH program beginning in fiscal years 2027 and 2028, respectively.

Base and one-time appropriations for emergency housing and supports through GA and HOP are approximately \$82 million in fiscal year 2025. The fiscal year 2026 budget bill as passed by the General Assembly includes approximately \$70 to \$74 million. These estimates may not include all of the administrative costs associated with implementing these programs or funds that may remain unspent at the end of a fiscal year.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.