

1 H.790

2 An act relating to fiscal year 2026 budget adjustments

3 TO THE SENATE AND HOUSE OF REPRESENTATIVES:

4 The Committee of Conference to which were referred the disagreeing votes  
5 of the two Houses upon House Bill entitled:

6 **H.790.** An act relating to fiscal year 2026 budget adjustments.

7 Respectfully reports that it has met and considered the same and

8 recommends that the House accede to the Senate proposal of amendment and

9 that the Senate proposal of amendment be further amended as follows:

10 First: By striking out Sec. 37. in its entirety and inserting in lieu thereof a new  
11 Sec. 37. to read as follows:

12 Sec. 37. 2025 Acts and Resolves No. 27, Sec. B.330 is amended to read:

13 Sec. B.330 Disabilities, aging, and independent living - advocacy and  
14 independent living grants

15	Grants	<u>24,909,492</u>	<u>25,125,975</u>
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16	Total	<u>24,909,492</u>	25,125,975
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17 Source of funds

18	General fund	<u>8,585,909</u>	8,804,020
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19	Federal funds	<u>7,321,114</u>	7,191,114
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20	Global Commitment fund	<u>9,002,469</u>	<u>9,130,841</u>
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21	Total	<u>24,909,492</u>	25,125,975
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1 Second: By striking out Sec. 44. in its entirety and inserting in lieu thereof a  
2 new Sec. 44. to read as follows:

3 Sec. 44. 2025 Acts and Resolves No. 27, Sec. B.347 is amended to read:

4 Sec. B.347 Total human services

5 Source of funds

6	General fund	<del>1,428,803,059</del>	1,461,126,849
7	Special funds	<del>231,430,533</del>	232,655,939
8	Tobacco fund	23,088,208	23,088,208
9	State health care resources fund	31,074,772	31,074,772
10	Federal funds	<del>1,946,078,413</del>	1,993,089,108
11	Global Commitment fund	<del>2,148,606,890</del>	2,213,122,801
12	Internal service funds	403,853	403,853
13	Interdepartmental transfers	32,694,090	32,694,090
14	Permanent trust funds	<u>25,000</u>	<u>25,000</u>
15	Total	<del>5,842,204,818</del>	5,987,280,620

16 Third: In Sec. 51., by striking out 2025 Acts and Resolves No. 27, Sec.  
17 B.1100(t)(2) and inserting in lieu thereof:

18 (2) ~~\$500,000~~ \$885,000 General Fund for a grant to Vermont Foodbank  
19 for the Vermonters Feeding Vermonters Program;

20 \* \* \*

1 Fourth: By striking out Sec. 79. in its entirety and inserting in lieu thereof a  
2 new Sec. 79. to read as follows:

3 Sec. 79. HOUSING ASSISTANCE

4 (a) In fiscal year 2026 and fiscal year 2027, while the General Assembly is  
5 not in session the Emergency Board shall have the authority to transfer part of  
6 the appropriation in 2025 Acts and Resolves No. 27, Sec. B.1101(b)(2) to the  
7 Department for Children and Families for the purpose of assisting a housing  
8 authority to avoid termination of U.S. Department of Housing and Urban  
9 Development (HUD) Section 8 housing choice vouchers that would otherwise  
10 be lost as the result of federal action.

11 (b) If funds are transferred for this purpose, they may be made available at  
12 the request of a housing authority for one of the following purposes:

13 (1) to maintain a current housing assistance payment in use or to prevent  
14 the retirement of a housing assistance payment currently in use by the housing  
15 authority; or

16 (2) with prior written approval from HUD, to provide funding to a  
17 housing authority in order to prevent the termination of assistance to current  
18 housing choice voucher participants.

19 (c) If funds are transferred for this purpose, an affirmative vote of the  
20 majority of a housing authority's commissioners shall be required prior to a  
21 housing authority requesting funds.

1       (d) A housing authority shall notify the Department for Children and  
2       Families of its intent to request funds and submit a report on its financial need,  
3       including evidence that the request conforms to applicable HUD requirements  
4       and is a necessary and proper expense, to the Department on or before April  
5       15, 2026.

6       (e) On or before May 1, 2026, the Department for Children and Families, in  
7       consultation with the Department of Housing and Community Development,  
8       shall:

9           (1) establish procedures for validating that such expenditures conform to  
10       applicable HUD requirements and are a necessary and proper expense prior to  
11       issuing funds; and

12           (2) establish guidelines to ensure that funds are distributed based upon  
13       need.

14       (f) If funds are transferred for this purpose, the Department for Children  
15       and Families shall report to the Joint Fiscal Committee at its September 2026  
16       meeting and submit a written report on or before January 15, 2027, to the  
17       House and Senate Committees on Appropriations on the status of the  
18       appropriation.

19       (g) As used in this section, “housing authority” has the same meaning as in  
20       24 V.S.A. § 4002.

1 Fifth: By striking out Sec. 83. in its entirety and inserting in lieu thereof a new  
2 Sec. 83. to read as follows:

3 Sec. 83. DEVELOPMENTAL DISABILITIES SERVICES PAYMENT  
4 REFORM; IMPLEMENTATION

5 (a)(1) In fiscal year 2026, the Department of Disabilities, Aging, and  
6 Independent Living shall adjust the developmental disabilities home- and  
7 community-based services payment model to reflect per-member, per-month  
8 payments to designated and specialized service agencies that are calculated  
9 based on a minimum-assumed utilization rate of 65 percent. Reconciliation  
10 shall occur in compliance with the developmental disabilities home- and  
11 community-based services payment reform rules and the False Claims Act, 31  
12 U.S.C. § 3729 et seq.

13 (2) Each agency currently below the 65 percent threshold and requiring  
14 financial stabilization shall prepare and submit a financial stabilization plan to  
15 the Department on or before October 1, 2027. The Department shall review  
16 the stabilization plan and work with the proposing agencies toward the goal of  
17 stabilization and sustainability.

18 (b) The designated and specialized service agencies shall submit to the  
19 Department on or before April 1, 2026, all information deemed necessary by  
20 the Department to enable it to perform a comprehensive fiscal analysis and to

1 implement resolutions to address barriers that inhibit an increase in service  
2 delivery utilization.

3 (c)(1) On or before April 15, 2026, the Agency of Human Services and the  
4 Departments of Disabilities, Aging, and Independent Living and of Vermont  
5 Health Access shall convene a meeting with the Chairs of the House and  
6 Senate Committees on Appropriations, the House Committee on Human  
7 Services, and the Senate Committee on Health and Welfare, or their designees,  
8 and with the designated and specialized service agencies and other key  
9 members of the developmental disabilities services delivery system. At the  
10 meeting, the parties shall discuss efforts that support the growth of a  
11 sustainable developmental disabilities services delivery system in which:

12 (A) increased service utilization meets the needs and goals of  
13 individuals and families and drives the designated and specialized service  
14 agencies' success;

15 (B) Medicaid compliance is assured; and

16 (C) all State and federal rules are adhered to.

17 (2) At the meeting, the parties shall also develop and recommend  
18 concrete solutions to mitigate short-term financial impacts and Medicaid  
19 compliance risks associated with the implementation of developmental  
20 disabilities services payment reform, to the extent permitted under federal  
21 Medicaid rules.

1       (d) On or before May 1, 2026, the Department shall submit a written  
2 progress report to the House Committee on Human Services and to the Senate  
3 Committee on Health and Welfare detailing recommended solutions,  
4 anticipated fiscal impacts to the designated and specialized service agencies,  
5 implementation timelines, and compliance safeguards, including how  
6 measures, such as the transitional utilization methodology, shall ensure  
7 continuity of care, prevent service disruption, and mitigate Medicaid  
8 compliance risks for providers and the State during the first year of payment  
9 reform implementation, to the extent permitted under federal Medicaid rules.

10       (e) If funds previously appropriated to the Agency of Human Services are  
11 insufficient to provide the State match needed to make the payment adjustment  
12 in subsection (a) of this section, notwithstanding 32 V.S.A. § 308b, the  
13 Commissioner of Finance and Management shall unreserve an amount of funds  
14 equal to the deficiency from the Human Services Caseload Reserve and,  
15 notwithstanding 32 V.S.A. § 706, transfer an amount of funds equal to the  
16 deficiency to the Agency of Human Services.

17 Sixth: By striking out Sec. 86. in its entirety and inserting in lieu thereof a new  
18 Sec. 86. to read as follows:

19 Sec. 86. 2025 Acts and Resolves No. 27, Sec. E.330 is added to read:

20       Sec. E.330 DEPARTMENT OF DISABILITIES, AGING AND

21                               INDEPENDENT LIVING; VERMONT CENTER FOR

1                                   INDEPENDENT LIVING; FUNDING

2           (a) Of the General Fund appropriation in Sec. B.330 of this act, \$55,000  
3           shall be granted to the Vermont Center for Independent Living to provide  
4           home-delivered meals to individuals with disabilities under 60 years of age.