



VERMONT LEGISLATIVE
Joint Fiscal Office

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

Fiscal Note

May 7, 2026

Nolan Langweil, Principal Fiscal Analyst

H.657 – An act relating to various programming and requirements within the Department for Children and Families

As recommended by the Senate Committee on Health and Welfare, Draft 2.1¹

Bill Summary

This bill proposes various programmatic and requirement changes within the Department for Children and Families (DCF). The following sections would have fiscal impacts to the State.

Section 1 – Elimination of Asset Limits for Reach Up Eligibility

Sec. 1 would eliminate the asset limits for families for the purposes of determining initial and continuing eligibility for the Reach Up Program. Currently, the asset limit is \$9,000.² According to DCF, the fiscal impact is difficult to determine as eliminating the asset limit could potentially expand the Program by qualifying an unknown additional number of individuals. In fiscal year 2025, there were a total of 18 cases where people were denied because their assets were over the resource limit. The average cost per case per month is \$646. Using fiscal year 2025 as a proxy, based on the 18 cases that were denied, the fiscal impact of removing asset limits could be as much as \$140,000 in fiscal year 2027.

Sections 3 – Social Security Benefits for Youth in Foster Care

Sec. 3 would prohibit DCF from using any portion of a child's Social Security benefits to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for Supplemental Social Security Income (SSI) benefits and to avoid a violation of federal asset or resource limits. Currently, DCF uses this money to cover the cost of care for youth in custody. Since this section would not take effect until July 1, 2027, it would not impact the fiscal year 2027 budget. However, it would have an approximately \$700,000 impact in fiscal year 2028.

According to DCF, it would need an additional full-time equivalent (FTE) position to implement the requirement that DCF appeal any denied applications for SSI benefits submitted on behalf of a child. The annualized cost of an FTE at pay grade 24, including fringe benefits, would be approximately \$124,000. This section would take effect July 1, 2027. The fiscal year 2028 cost would depend on if and/or when the position is filled.

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. 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.*

² 33 V.S.A. § 1103

Sections 5 and 6 – Vital Event Certificates Fees

Sec. 5 would exempt unaccompanied youth from having to pay the \$10 fee for copies of vital event certificates (such as birth, death, marriage, civil union, or divorce). Sec. 6 would exempt them from having to pay the \$29 fee for a nondriver identification card. The fiscal impact of these fee exemptions is expected to be de minimis.

Sections 7 and 8 – Motor Vehicle and Motorcycle License and Learner’s Permit Fees

Sec. 7 would exempt an unaccompanied youth from having to pay driver’s or motorcycle license fees. Sec. 8 would exempt an unaccompanied youth from having to pay a fee for a learner’s permit. The fiscal impact of these fee exemptions is expected to be de minimis.

Section 12 and 13 – Restraint and Seclusion

Secs. 12 and 13 add language around the use of restraints and seclusion on children and requires DCF to adhere to provisions as laid out in Sec. 12 when contracting with an out-of-state program. DCF holds contracts for almost all residential programs utilized by AHS departments that fund children’s residential placements under Medicaid, including the Department of Mental Health (DMH).

Currently, 70% of youth in residential programs funded by DMH are placed out-of-state. According to DMH, this bill could potentially reduce the availability or timely access of youth mental health services, particularly for out-of-state residential programs that may decline to contract with the State if these provisions were enacted. DMH utilizes up to 70 out-of-state providers. DMH has stated that if currently contracted out-of-state providers decline to work with it when these new requirements come into effect in 2028, the State may have to negotiate new, higher cost contracts.

Section 14 – Children in Correctional Facilities Work Group

Sec. 14 would require DCF and the Department of Corrections (DOC) to submit a written report to the committees of jurisdiction regarding the use of restraints and seclusion on minors detained in DOC facilities and potential means for reducing physical and psychological trauma from restraints and seclusion. In preparing this report, the departments would consult with a work group composed of specified groups and stakeholders whose representatives, if not participating in their professional State capacity, would be entitled to per diems and expense reimbursement as permitted under 32 V.S.A. § 1010 for not more than five meetings.

These costs would be absorbed by the Office of the Child, Youth, and Family Advocate. Given the small number of meetings and the assumption that most of the participants would be working in their State capacity, the fiscal impact is expected to be de minimis.

Section 16 – Prenatal Engagement and Family Support Working Group

Sec. 16 would create the Prenatal Engagement and Family Support Working Group to examine DCF’s current practice of using a pregnancy calendar to monitor and track certain pregnant individuals in Vermont and provide recommendations on alternatives to a pregnancy calendar and ways to support pregnant individuals in need of services. Members who are not participating in their professional State capacity or who would not otherwise be compensated for attendance would be entitled to per diems and expense reimbursement as permitted under 32 V.S.A. § 1010 for not more than five meetings.

These costs would be absorbed by DCF. Given the small number of meetings and the assumption that most of the participants would be working in their State capacity, the fiscal impact is expected to be de minimis.

Fiscal Summary

Effective Fiscal Year 2027

Sec.	Description	Fiscal Impact
1	Elimination of asset limits for Reach Up eligibility	\$140,000
5 & 6	Vital event certificate fees	-----
7 & 8	Motor vehicle and motorcycle license and learner's permit fees	-----
14	Children in correctional facilities work group (per diems and reimbursements)	-----
16	Prenatal Engagement And Family Support Working Group (per diems and reimbursements)	-----

Effective Fiscal Year 2028

Sec.	Description	Fiscal Impact
3	Social Security benefits for youth in foster care	\$700,000
	FTE (Paygrade 24), salary and benefits	TBD
12 & 13	Restraints and seclusion provisions (potential new contracts)	TBD

Other Considerations

There could be additional administrative costs associated with the bill not already identified.