

Act 119: Re-envisioning the Agency of Human Services

Report from the Vermont Agency of Human Services

February 2026 Presentation

Senate Committee on Government Operations

Purpose

Legislative Purpose

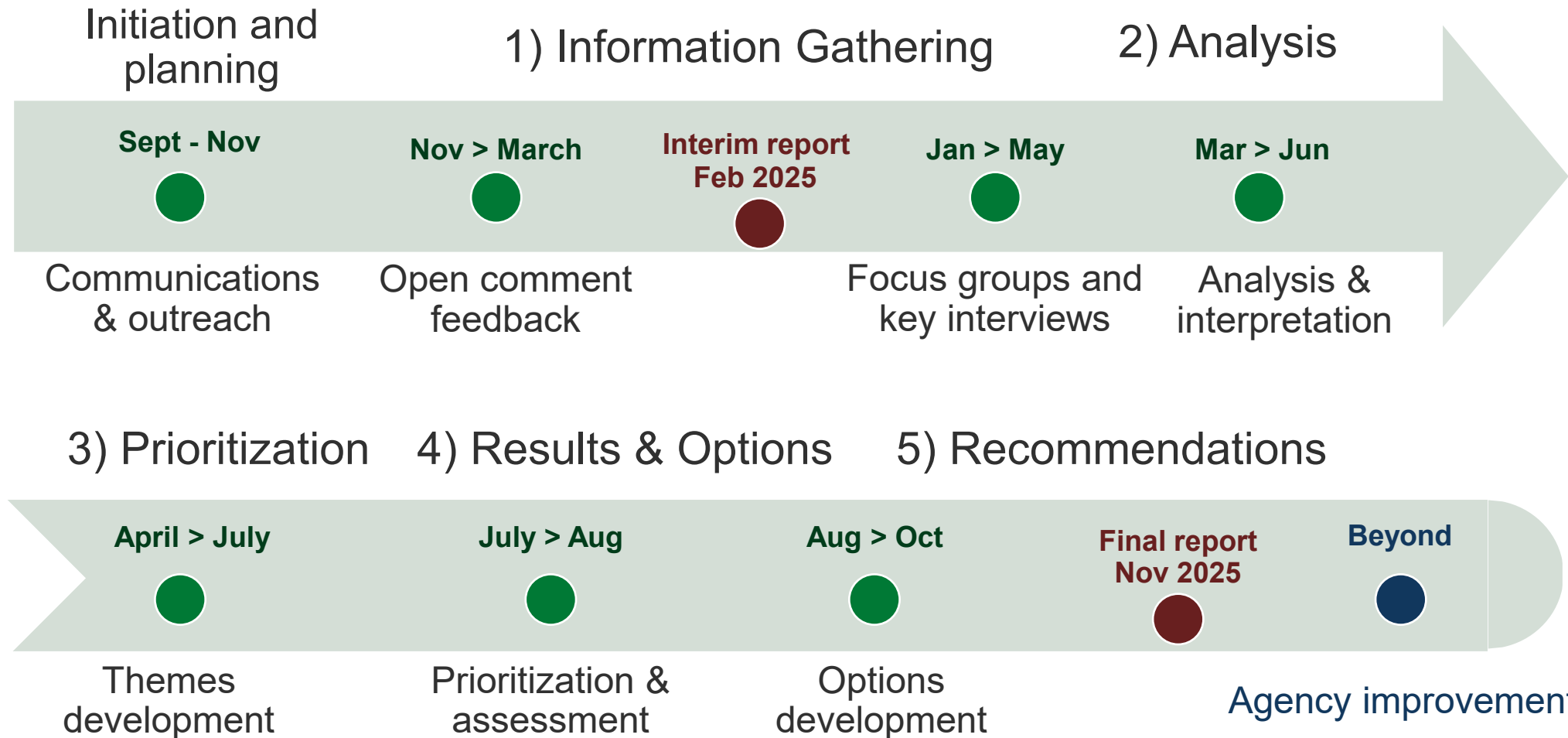
“Create a meaningful process through which the Agency, its departments, and the individuals and organizations with whom they engage most can collaborate to identify opportunities to build on past successes and to make improvements for the future.”

Background

Context

- Largest executive branch agency
- Home to programs directly serving people and families statewide
- Seen significant program expansion & structural consolidation since 1970
- Increasing scope and complexity of programs and systems
- Several proposals in the past to restructure or divide AHS

Project Phases



Process

Information, Analysis & Prioritization

- Outreach & engagement: discussion groups, surveys, interviews (>1,000 participants)
- Research: operational data & metrics, peer state comparison, organizational theory, historical review
- Analysis: iterative review, thematic analysis, validation
- Prioritization: internal & external surveys

Options & Recommendations

- Priorities to options: validated with key informants
- Criteria for recommendations: outcomes, sustainability, alignment, feasibility, resources, statute

Findings

Tier Levels

1. Structural
2. Operational
3. Ongoing improvements

Tier Level	Improvement type	Decision making & accountability	Time & resource priority level
Tier 1	Structural Options	Beyond AHS	Priority consideration
Tier 2	Agency Operations	AHS Executive Leadership	Near-term focus
Tier 3	Ongoing Improvements	Project Sponsors	Capacity-dependent

Key Themes: Strengths

Agency Strengths: sustain and amplify

- Consolidated federal funding: single Agency leverages shared funding, aligned planning, and least complexity
- Holistic human services: single Agency offers wraparound programs for streamlined human services
- Co-location of services: District Offices provide low barrier access to services across systems, departments, and programs
- Coordinated rapid response: single Agency allows rapid coordination and response for emergent and evolving human service needs
- Shared systems: shared operational structures and technology support efficient and effective process

Findings & Recommendation Tiers

Tier 1: Agency structural options

Highest level systems, structure and capacity

Tier 2: Agency operational opportunities

Tier 3: Ongoing improvement

Lower-level programmatic improvements

Themes for Re-envisioning AHS

- Strengthen alignment and capacity
- Connect and coordinate services
- Collaborate and communicate clearly
- Use resources wisely
- Understand clients and communities
- Modernize technology and systems

Agency of Human Services

Thematic Challenges

- **Portfolio complexity:** Six departments, specialized units and offices, differing missions, multiple operational models.
- **Leadership constraints:** Limited number of issues can reach executive level.
- **Program & scope growth:** Continual expansion; limited options to retire underperforming or duplicative.
- **Coordination & communication barriers:** Difficulty navigating services and finding information.
- **Resource competition:** Shared constraints, political priorities, unequal attention.
- **Emergent demands:** Crises in housing, health, and mental health stretch leadership capacity.

AHS: Recommendation & Rationale

Recommendation: Keep AHS together and strengthen as a unified Agency

- **Sustainable success:** Address the symptoms of complexity without disruption, cost, additional risk.
- **Leadership efficiency:** Less resource-intensive than a duplicative administrative infrastructure.
- **Future flexibility:** Stronger structure maintains low barriers for quick pivots in emergent situations.
- **Broad support:** Feedback consistently favored better coordination over restructuring.

Department for Children Families

Thematic Challenges:

- **Distinct work streams:** Economic programs operate differently in mission, operations, and systems from family- and child-centered services.
- **Siloed operations:** ESD and FSD divisions operate with high “walls”; separate funding, technology, client needs, service models.
- **Leadership bandwidth constraints:** Single commissioner with no true deputy limits capacity for broad strategy and policy alignment.
- **Brand and trust issues:** Staff identify with divisions, not department; families hesitate to seek economic supports from child protection entity.
- **Complexity from scope creep:** Programs continually added without alignment.

DCF: Recommendation & Rationale

Recommendation: Strengthen DCF as a Unified Department

- **Continuity of operations:** Avoid disruption to funding, contracts, and partnerships.
- **System integration:** Support whole-family approach and reduce fragmentation.
- **Leadership efficiency:** Less resource-intensive than a duplicative administrative infrastructure.
- **Capacity generation:** True deputy position increases leadership focus on core priorities and balance leadership attention across divisions.
- **Brand improvement over structural change:** Communication and culture strengthens public trust better than organizational division.
- **Future flexibility:** Strong internal structure allows adjustment over time without reorganization.

Substance Use – Mental Health Integration

Thematic Challenges:

- **System and Service duplication:** Resources used for duplicative functions across similar clinical systems.
- **Co-occurring disorders:** Gaps and complexity in care coordination for co-occurring substance use and mental health needs.
- **Funding & service confusion:** Partners and clients find service pathways and funding sources unclear.
- **Misaligned systems:** Different rules, program expectations, accountability, and billing pathways for overlapping services.

SU – MH: Recommendation & Rationale

Recommendation: Integrate Clinical Substance Use Functions into DMH

- **Clinical coherence:** Integrating treatment reduces duplication, aligns clinical standards, and improves experience and outcomes for clients with co-occurring needs.
- **Leadership focus:** DMH leadership can prioritize SU alongside MH, improving accountability, resource allocation, and advocacy.
- **System alignment:** Unified clinical leadership simplifies policy application, Medicaid billing, and statewide frameworks.
- **Prevention integrity:** Keeping prevention in VDH preserves population-level approaches while enabling collaboration with DMH for clinical interfaces.

Department of Corrections

Thematic Challenges:

- **Separate support structures:** Distinct bargaining unit, employee engagement survey, staff training programs, and narrow mission.
- **Unique needs:** Unique facility, security, staffing, and technology requirements.
- **Duality of mission:** Straddles public safety and human services with close collaboration needed.
- **Increased acuity:** Increased acuity among incarcerated population means more complex health, mental health, and substance use needs.
- **Reliance on AHS:** Clients rely heavily on AHS programs for health and social supports.

DOC: Recommendation & Rationale

Recommendation: Enhance AHS Support for DOC

- **Integrity of human services:** Preserve access to integrated human services for incarcerated and community-supervised individuals.
- **Alignment of client needs:** High-priority needs for incarcerated individuals mirror broader AHS services.
- **Employee support:** Maintain and increase access to human services-focused workforce development for DOC staff.
- **Continuity of operations:** Avoid disruption to Medicaid, reentry supports, housing and care coordination.
- **Shared solutions:** Maintain cross-department learning and improvement opportunities among programs with custodial functions.
- **Experience under stress:** Preserve the benefits of integrated human services highlighted during emergency response.

Tier 2: Operational Opportunities

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Prioritization: Overlap across staff, partner, & public priorities

- Make sure groups we fund are effective.
- Include staff and clients early in planning.
- Make sure we work toward the same goals.
- Make it easier to understand available services.
- Better connect programs, services, and technology.

Tier 3: Ongoing Improvement

Department & Program Level

- Narrower scope
- Department & program priorities: urgency, impact, capacity, resources
- Ongoing continuous improvement opportunities

Example options

- Improve data and information sharing between related programs
- Improve clarity, accessibility and timeliness of digital communication
- Coordinate care management across programs and departments
- Expand training opportunities and improve access for field staff
- Develop systems to share best practices

Next Steps

Moving Forward: Strengthening, Sustaining, Improving

- Prioritize and begin project planning for most impactful and feasible agency-wide opportunities.
- Work with departments and programs, allow them to prioritize, and follow up to see progress.
- Ensure this Agency self-evaluation and assessment is not a one-time exercise; build it into the culture of continuous improvement.

Conclusion

Thank you

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