

Testimony for the Senate Health & Welfare Committee RE: H.91

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On behalf of Vermont Community Action Partnership

- Jenna O'Farrell, Northeast Kingdom Community Action (NEKCA)
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Thank you for the time to testify today and for taking seriously our feedback as the Community Action Agencies that would be tasked with administering the new VHEARTH program as envisioned in H.91.

We want to say at the outset that we have discussed H.91 at length and we do believe we as the Community Action Agencies can do what is envisioned in H.91. As we have said multiple times now, it will be critical that we have the time and the funding necessary to stand up the new VHEARTH program, and with that support we will serve as the lead agencies in our communities working alongside our partners to effect community change. VHEARTH is well within our mission and it is aligned with all of the anti-poverty work that we as the Community Action Agencies do. *All five of us are committed to this work, and we are also committed to having support at the level of our statewide partnership - the Vermont Community Action Partnership to help ensure statewide consistency and also so we can support each other.*

Our Community Action Agencies have a proven track record of standing up statewide programs quickly and efficiently during difficult times. Here are just a few examples:

- During the COVID pandemic, SEVCA led the way in standing up Everyone Eats, which supported hundreds of people across the state in getting prepared meals.
- BROC led the startup of our Microbusiness Program which includes 1:1 business coaching, group workshops and help with building a business plan and building up credit for entrepreneurs looking to start a small business.
- NEKCA led the way on starting up the digital equity program, which helps Vermonters get connected to the internet.
- Capstone's Disaster Case Management Program was established to assist survivors of the July 10 and July 11, 2023, floods with direct services and long term help as they recover from that disaster.
- CVOEO's HOME Family Housing Voucher Program has provided up to 200 families with 24 months of rental assistance. Families are referred through the coordinated entry process, with local organizations providing housing navigation and retention services.

These are just a few recent examples, but throughout our 60 year history, the Community Action Agencies have been here for Vermonters in need. We have been stalwart partners with the State of Vermont to provide support and services to help lift people out of poverty and achieve stability and security in their lives.

You can see our 2023 VCAP Annual Report here: https://vermontcap.org/wp-content/uploads/2024/01/VCAP_AR2023_FINAL.pdf

The Opportunity before Us

While we appreciate concerns about the speed and process of H.91, we're more concerned about the alternative—or lack of one—if we don't act now. Over the past few years, the administration's primary strategy for managing the emergency housing program has been to narrow eligibility combined with limiting the number of people served. This approach has repeatedly led to harm to individuals and families, confusion, distress, and operational disruption. It is safe to assume this approach will continue if we don't change the system.

We believe this moment offers a rare opportunity to transform a fragmented and reactive system into one that is coordinated, compassionate, and community-led. If we miss this opportunity, it may be years before we can attempt such a shift again.

It will be necessary to unwind a very large, well-embedded program from the State, and we don't yet know what we don't know about how that will all happen. We don't know what the scope and breadth of the administrative support is now for the current system, and it is unclear whether the funding that is currently paying for that administrative support will be transferred to our Community Action Agencies so that we and our communities will have the financial support to assess, plan and implement so we can be successful. We don't know yet what will be needed to administer the new VHEARTH program once it is in place because we hope it will look very different from the current system.

What we do know is that it will take a bit of time and investment to stand up the new program and do the necessary and valuable work of bringing our communities together to have deep discussions about what is possible and how we can better serve everyone who needs supports and services with regard to preventing homelessness or providing shelter and support to those who are experiencing unsheltered homelessness.

We Need a Phased, Realistic Timeline

We've outlined a three-year phased implementation model – I will talk through the details in a bit:

- FY26: Regional planning and infrastructure development
- FY27: Community Action Agencies administer the GA Emergency Motel Program while OEO continues to administer HOP & continued planning and infrastructure development
- FY28: Full implementation of VHEARTH, including Housing Opportunity Program (HOP) responsibilities

This timeline balances urgency with realistic expectations, allowing us to mitigate risk and build buy-in. Yes, the transformation is ambitious—and it's achievable if we take the time to do it right, and if we are allocated the funding that will allow us to stand up this new transformational program in a way that leads to success.

Why It's Worth the Investment

VHEARTH is a systems shift with the potential for lasting impact. It embodies:

- Client-centered access that reduces stress and tailors support from the beginning
- Streamlined intake and assessment that reduces administrative burdens
- Regional flexibility that expects communities to design what works locally
- Integrated services that center coordinated case management
- Opportunity for innovation and unlocking creative, community-based solutions

If fully resourced and thoughtfully implemented, VHEARTH can reshape Vermont's emergency housing response for the better.

Funding Needed

We want to take a moment here to clarify for this committee that **VCAP has two separate and distinct funding requests for FY2026** at this time.

1. **Our original funding request** - which was developed prior to the Executive Order and prior to the shift in H.91 to this transformational VHEARTH program - is still a real need for all five of our Agencies. That **is for an additional \$6.025 million through the HOP program**, and [you heard testimony from Alison Calderara](#) last week about that request.
2. **Our funding request related to H.91 and the transition to VHEARTH is for \$6.83 million.** We brought this number to you last week after all five of us together built out a budget for the transition years. This would need to be annual funding for the next few years at least.

Acknowledging the Limitations

We want to be clear: VHEARTH won't fix the housing crisis overnight. The lack of affordable units remains the most significant barrier to transitioning people out of shelter and into permanent housing. Average shelter stays are increasing, and even with the best planning, some individuals may remain in shelter longer than ideal.

But VHEARTH offers a framework that is more stable, more flexible, and more equitable—and could give us the tools to respond more effectively.

Guiding Principles for Regional Planning

We believe eliminating the confusion of the conflicting timelines in H.91 as passed by the House and moving toward the inclusion of a framework of guiding principles for regional planning in the bill would lead to a better statewide plan. This would also involve eliminating the Advisory Committee in H.91 as passed by the House. As written, it is unclear how the Advisory Committee would intersect with the regional and statewide planning processes, and it would add an extra layer of work for everyone who would already be involved in the regional and statewide planning processes.

We envision each CAA leading a needs assessment and regional planning process that would adhere to these principles and address them in the regional plans. Of course, we fully expect all of our current - and hopefully new - community partners to be fully engaged in these processes. **We have said many times and will say it again here that the Continua of Care and the local Housing Coalitions are essential to the success of VHEARTH and must be fully engaged in the transition and the ongoing work of VHEARTH.**

Also, if we are going to develop a different and more far-reaching community needs assessment and regional plan that is focused on housing/homelessness, we need to include the faith community, hospitals, municipalities, libraries, regional planners, and other community groups, and all of that will take time and outreach. Of course, we also would want to include people with the experience of living with unsheltered homelessness and make sure they have opportunities that work for them to provide input and ideas.

We presented these Guiding Principles last week as a starting place for discussion for your committee and other stakeholders - including DCF - to offer a framework for VHEARTH that would guide the planning process and also the administration of the program. We do not believe this is the comprehensive list of guiding principles, but it is a good start.

Suggested Guiding Principles

1. Provide equitable and timely access to emergency shelter through the use of the [coordinated entry assessment](#).
2. Provide integrated, person-centered support services.
3. Provide shelters and supports with dignity and safety, and include a required housing plan for everyone in the system.
4. Strengthen regional capacity through planning, collaboration and accountability.
5. Promote dignified, trauma-informed and culturally responsive care.
6. Integrate systems to address root causes of poverty and homelessness.

Rulemaking Necessary for VHEARTH

We also want to once again recommend a more robust rulemaking process. This process would allow for full stakeholder engagement, build trust throughout our communities, and allow us to work closely with DCF throughout the transition process. New rules will need to be written for VHEARTH as we transform the system!

Here is what we suggest:

- Stakeholder engagement prior to draft rules
- Extra public hearings and longer comment period
- Review by House Human Services & Senate Health & Welfare Committees before final rules are promulgated.

We realize there may need to be more than one set of rules before VHEARTH is fully realized. We would want this robust process for any and all rulemakings associated with VHEARTH.

Risks to Address

If this transformation is to succeed, we must be aware of its vulnerabilities:

- Housing market constraints may slow exits from shelter
- Inadequate funding could strain staffing and infrastructure
- Compressed timelines risk rollout challenges
- Lack of alignment across agencies and sectors could fragment efforts

But with clear milestones, inclusive planning, and stable investment, these risks can be mitigated.

Our Proposed Timeline

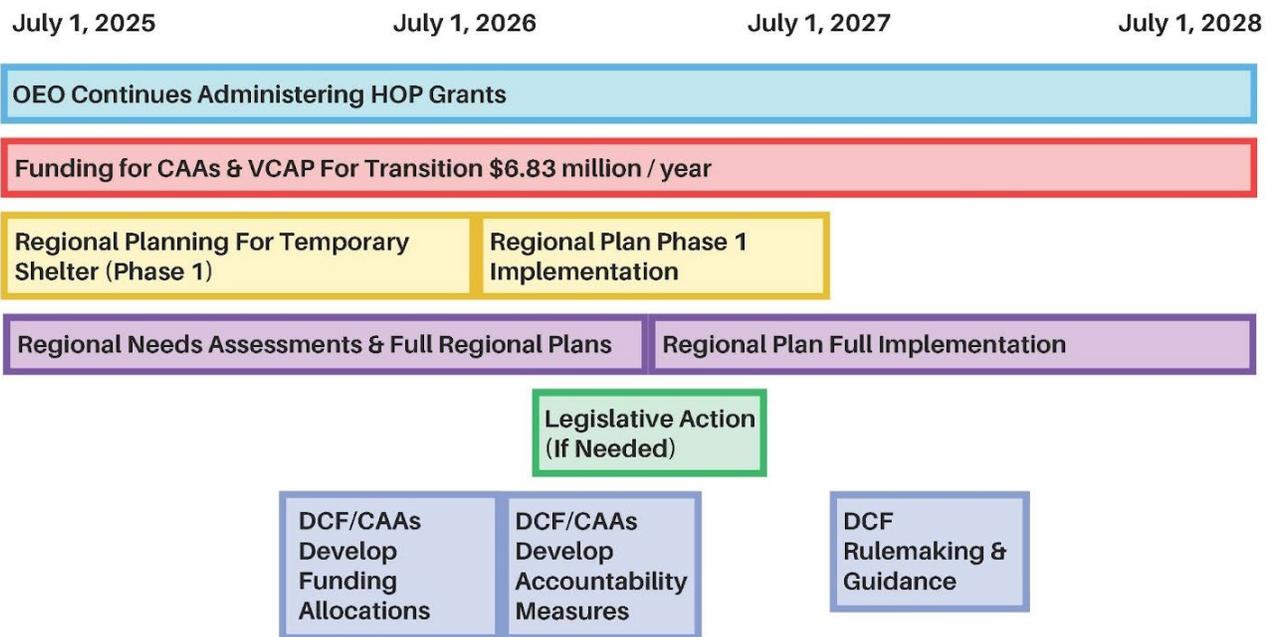
Our recommendation is for OEO to continue the current HOP grants for 2 more years (FY26 and FY27). If a project is ending, OEO would be responsible for the new grants until the end of that 2 year timeline.

Here is what we envision:

- 1) The 'hotel/motel' part of the funding would go to CAAs and their respective regions starting in FY27 and would be used to begin to shift the current system to a new VHEARTH system, per the regional plans which will be developed in FY26.
 - a) Prior to the FY27 shift in funding, CAAs would work with DCF, OEO and community partners (including the CoCs and Local Housing Coalitions) to build a plan for FY27 to serve people who would be seeking shelter and services.
 - b) During FY27, the CAAs would conduct a full community engagement process and needs assessment and build an implementation plan for each region for the full shift to VHEARTH in FY28. This would

allow for a holistic approach to planning in order to accomplish the goals of the VHEARTH program that are appropriate for each community.

- c) In order to do this, everyone would need to know the intention for funding for at least the next 3 years. (FY28, FY29, FY30)
 - d) We understand that VHEARTH is not intended to fully eliminate homelessness, but to develop an integrated, creative, flexible, and responsive community-based and regional system that better meets community and client needs. However, if we can engage our regions in a broader and deeper discussion, we may find innovative and creative solutions that may not arise if we limit our discussion to serving only some of the people who need services and shelter.
- 2) In FY28, all of the funding for VHEARTH would go through the CAAs, as outlined in the bill.
- a) During FY27, part of the planning process would include the allocation process for the full amount of funding to the 5 CAAs (and their regions) in FY28, so the funding could be considered in the planning process.
 - i) Also, part of this process would be creating a system so that the CAAs can both use some of the funding to run programs directly if needed and requested by the community and to grant and administer the funding to other community providers and/or pay hotels or other entities. The CAAs would need to work with DCF/OEO to ensure accounting and monitoring systems were acceptable in order to accomplish the directives of VHEARTH.



Benchmarks and Outcomes - CAAs Use National Performance Indicators

All five of the Community Action Agencies already use the National Performance Indicators or NPIs. NPIs are a set of indicators that helps more than 1,000 diverse community action agencies to standardize their performance and present a “coherent national picture of their work and accomplishments.”

The indicators and services are “the vehicle by which CSBG Eligible Entities report the work they do that change conditions at the individual and family level.”

We believe that this is where we should start in developing benchmarks and measurable outcomes for H.91.

The NPIs are developed at the national level, but they do have some flexibility.

- States decide which indicators to report on
- Individual agencies can add their own indicators
- Indicators/outcomes are tied to an annual work plan
- We produce quarterly reports and a year-end comprehensive report

There are 7 Domains for the NPIs and #4 is centered on Housing. Our Current NPIs are as follows. The number of individuals...

- ...experiencing homelessness who obtained safe temporary shelter
- ... who obtained safe and affordable housing
- ... who maintained safe and affordable housing (90 days)
- ... who avoided eviction
- ... who experienced improved health and safety due to improvements within their home
- ...with improved energy efficiency and/or energy burden reduction

Here is an example of one National Performance Indicator as measured by CVOEO.

Example - Housing

The number of households who maintained safe and affordable housing

FY22 # Served = 458 Target # = 240 Actual # achieved outcome = 370

FY21 # Served = 706 Target # = 305 Actual # achieved outcome = 485

About 81% achieved outcome in FY22 (targeting success rate of 150% - range should be between 80-120%). About 69% achieved outcome in FY21

Analysis: Why was number served lower in FY22? Is it better to have more people achieve the outcome (find housing) or to serve more people?

Potential Client Experience Comparison: GA Motel Program vs. VHEARTH Model

THE CURRENT GA EMERGENCY MOTEL/HOTEL SYSTEM

We thought it would be helpful to provide a brief overview of the potential impact of VHEARTH. This narrative reflects a general pathway that individuals or families might take when seeking emergency shelter through the General Assistance (GA) Emergency Motel Program. While experiences vary by region and circumstances, this aims to illustrate some common patterns.

A person in need of emergency shelter may approach any number of service providers. Typically, they are referred to a local sheltering agency. There, a formal or informal intake or screening often occurs to better understand the individual's situation and determine next steps.

In most cases, local shelters are full. When this happens, the individual is encouraged to call the GA Emergency Housing Line to see if they qualify for a motel stay. The intake process involves an eligibility screening that gathers information such as household composition, income and resources, employment status, medical conditions, and past use of emergency housing.

Eligibility requirements, including time limits and program rules (e.g., 80-day caps or past termination), affect whether someone can access the program. Capacity constraints—such as a statewide room cap—can further limit availability even if someone qualifies.

When placed in a motel, individuals may require additional supports—transportation to the motel, food, hygiene supplies, and more. While services may be available, they can be difficult to consistently deliver, particularly during times of high demand or funding changes.

Once in a motel, individuals are expected to engage in the Coordinated Entry process and connect with a case manager. These connections help assess housing needs and identify longer-term housing solutions. However, due to limited staffing or high caseloads, consistent engagement can be a challenge. Both clients and providers may experience stress navigating shifting eligibility rules, renewal timelines, and paperwork.

The motels in use vary widely in quality and are not designed for long-term stays. While the program has provided crucial shelter to many, exits to permanent housing can be difficult, particularly in light of very limited housing.

POTENTIAL CLIENT EXPERIENCE IN THE PROPOSED VHEARTH MODEL

Under the VHEARTH (Vermont Homeless Emergency Assistance and Responsive Transition to Housing) model outlined in H.91, the system would shift from a centralized motel-based response to a more localized and flexible framework.

When someone presents with a housing crisis, local providers would explore a range of **diversion strategies**—such as helping stabilize their current housing or supporting them to reconnect with safe and appropriate alternatives. If diversion is not possible and shelters are full, short-term motel stays could still be used as overflow, with the goal of transitioning individuals into shelter or housing as space becomes available.

The goal would always be to help the person achieve a stable situation, and then coordinate with providers and others as necessary to provide the supports and services needed.

Eligibility would be based on an attestation of need, reducing some administrative steps. The emphasis would shift from verifying eligibility to assessing needs and delivering timely supports.

Clients would be paired with a case manager and supported in developing a **housing plan**, with services tailored to their situation. The model provides the potential for broader case management networks, with staff bringing expertise in mental health, substance use, aging, and more. People with lived experience would also play a key role in service design and delivery.

Services would include housing navigation, referrals, advocacy, and basic needs support. The focus is on creating a more **integrated system**, aiming for consistent connection and clear pathways toward stable housing.

While the VHEARTH model does not promise to end homelessness overnight—and Vermont’s housing shortage remains a significant barrier—it is designed to offer greater flexibility, local responsiveness, and a more person-centered approach to shelter and support.

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Here's a side-by-side comparison of the current GA Emergency Motel Program and the potential of the proposed VHEARTH model to outline key differences in the client experience:

Category	Current GA Emergency Motel Program	Proposed VHEARTH Model
Initial Access	Individuals often connect with providers who refer them to the GA emergency housing line.	Individuals present to local service providers who assess needs and explore diversion options.
Eligibility Process	Eligibility includes multiple criteria (e.g., disability, age, income) and time limits; documentation required.	Uses simplified eligibility with attestation and defined categories; reduced administrative burden.
Shelter Availability	Motel placement depends on statewide room cap and availability. Motels are used frequently.	Emergency shelter options vary by region; motels used strategically as overflow.
Service Connection	Case management is available but inconsistent due to staffing and funding constraints.	Case management is a core component, offered by cross-disciplinary teams with localized oversight.
Client Expectations	Required to complete Coordinated Entry and stay in compliance with program rules to remain eligible.	In addition to Coordinated Entry, clients are supported in developing and following a housing plan, with less focus on compliance policing.
Conditions of Stay	Motels are not designed for long-term stays; quality and safety vary.	Shelter sites (including motels, if used) must meet health and safety standards.
Support Services	Supports like food, transport, and health care may be limited or unevenly available.	Integrated supports include housing navigation, referrals, and wraparound services.
Exit Pathways	Exiting to stable housing is difficult due to system gaps and limited housing stock.	Emphasis on housing-focused services and regional planning to identify exit strategies. However, with ongoing housing shortages, finding permanent placements will continue to be a challenge.
System Design	Centralized administration with some local coordination; response varies by region.	Regionally led system with flexibility to design local responses and partnerships.
Client Focus	Often rule- and compliance-driven, especially during recertifications.	Person-centered, flexible, and designed to reduce stress and barriers to engagement.