

TO: Senate Health & Welfare Committee
FROM: Vermont Community Action Partnership
DATE: April 9, 2025
RE: H.91 as passed by the House

Thank you for the opportunity to testify today. I am Jenna O'Farrell, Executive Director of Northeast Kingdom Community Action (NEKCA). NEKCA serves Caledonia, Orleans and Essex Counties. Every county in the United States is served by a Community Action Agency. I am offering today's testimony as the President of our Vermont Community Action Partnership, and on the behalf of my colleagues who will be available for questions.

- Alison Calderara & Sarah McMullen, [Capstone Community Action](#)
- Paul Dragon, Champlain Valley Office of Economic Opportunity -CVOEO
- Tom Donahue, Bennington Rutland Opportunity Council- BROCC Community Action
- Josh Davis, [Southeastern Vermont Community Action](#) - SEVCA

The Vermont Community Action Partnership (VCAP) feels a deep sense of responsibility for the success of H.91. Our five Community Action Agencies are community based, and our mission is to address the causes and conditions of poverty. We see the work of VHEARTH well within our mission, and we will be honored to have the opportunity to work with our State agencies and departments and our community partners to transform our system of supports and services for people at risk of or experiencing homelessness in Vermont.

We want to say at the outset that the current situation we are facing in our communities is untenable. Vulnerable Vermonters are being exited from hotels into the snow and cold. We want to work to move toward a future when people will not be exited into unsheltered homelessness.

Background on the Community Action Agencies & VCAP

As I just mentioned, the Vermont Community Action Partnership (VCAP) is the state association for Vermont's five Community Action Agencies, and it was incorporated in 1978. Our 5 Agencies operate through federal, state and private funding to provide programs and services to Vermonters with low or moderate income. We were established through the Economic Opportunity Act of 1964 by President Lyndon Johnson and came into being in 1965 through the first state Office of Economic Opportunity in the nation created under Governor Philip Hoff. We continue to work hand and hand with the Vermont Office of Economic Opportunity and the Vermont Legislature.

On the front line of poverty, through short and long term strategies, VCAP and the Vermont Community Action Agencies are recognized leaders in providing individuals, families and communities with the tools, skills and vision for needed economic, racial, social and environmental justice.

Overview of Our Thoughts on H.91

We are both energized by the potential we see in H.91 and concerned about the questions this bill raises about how the transition to VHEARTH would happen. In this testimony, we will ask some questions, make some suggestions, and offer our ideas for how this transition could roll out.

We want to say clearly that the work that our community partners are doing on the ground right now is critical, and we need to all stay engaged with each other as the planning and implementation moves forward. We hope that our partners will be engaged in your legislative process as well, and that you will welcome their suggestions and concerns as you do your work on this bill. Any future success will be the result of our community partnerships, as well as the full engagement of State Agencies and Departments.

We believe that the State of Vermont - our government and our people - can and must make the choice to shelter and support every person in Vermont. H.91 could be a decisive step in that direction. We believe the work envisioned for the Community Action Agencies in H.91 fits well within our mission and our statutory guidance. Although we will need to ramp up into this work, we do believe we will be able to do it, along with all our community partners, if enough time and financial support is available for us to be successful. We do have some concerns about the ramp-up process, as it currently is outlined in H.91.

We believe that the *potential* of H.91 is to build upon our current system and create new solutions that will be more comprehensive and client-centered with improved long term outcomes. We want everyone who needs support to stay in their home to get that support, and we want everyone who needs shelter to get both shelter and the services they need. Empowering communities with the flexibility to be creative in their approach may allow for more people to get the services and shelter that they need.

However, we know that there is currently not enough funding in the system to allow for people who need services and shelter to be served adequately. Simply shifting the responsibility to the community level will not solve the issue of inadequate funding and resources even as it adds in more flexibility and creativity. Adequate funding must be available in both the transition period and in the implementation of the VHEARTH program.

Implementation Timeline

The implementation timeline in the bill is confusing, and we believe it is also too short.

We would like to think that H.91 sets us and our communities up for success. That is not quite true yet.

We have several questions we would like to highlight:

- How would the Advisory Board recommendations intersect with the community and needs assessments and community work plans?
- How will the Statewide Board work with the local community action agencies that are building this capacity for community planning and engagement with our partners?
 - DCF is required to present an implementation plan to the legislative committees by February 1, 2026, but we are not clear how that can possibly include our regional plans done with our partners by that time.
- Is the DCF implementation plan the same as the statewide plan?
- How do the local plans intersect with the implementation plan and the statewide plan?
 - DCF is directed to work with us, the CAAs, to develop accountability measures and a plan to allocate the funding in FY2027. We would need to have the information about our regional funding allocations before we can develop our community and regional plans.

All of the above leads to the abrupt end of the current programs (HOP and the hotel/motel program) and the beginning of the new VHEARTH program on July 1, 2026. Our ability to produce long term success and meet the goals of H.91 will be significantly compromised by this 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/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 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.

Advisory Committee

We would also like to highlight some questions about the Advisory Committee in the bill.

- 1) We don’t understand how the Advisory Committee is meant to interact with DCF and the CAAs as part of the planning process.
 - a) The Advisory Committee has several questions to address, but no timeline for addressing them.
 - b) Also, we would want most of the planning to happen in the communities, and the CAAs would need to put energy there. We don’t quite understand the added value of this statewide advisory committee.
- 2) Several of the items that the Advisory Committee is meant to advise DCF/CAAs on may lead to rules or guidelines promulgated by DCF. We are wondering if it would be better to have a more robust rulemaking process that leads to these rules and/or guidelines that such as:
 - a) Stakeholder engagement prior to draft rules
 - b) Extra public hearings and longer comment period
 - c) Review by House Human Services & Senate Health & Welfare Committees before final rules are promulgated.

Community Action Agencies Partner with OEO

We firmly believe that the ongoing engagement and support of OEO is essential to VHEARTH being successful. It is critical that the state government's responsibility to address poverty and shelter people who need shelter is not displaced. First and foremost, we believe the duty of the Department for Children and Families is to act as a true partner and collaborator in the new system that will be VHEARTH. OEO has been our collaborator for decades. We strongly support a continued expectation of collaboration with OEO - in fact, we cannot imagine the VHEARTH program being successful without a continued connection to the well established expertise of OEO. We also believe that OEO should remain as a separate office within DCF or a standalone office with AHS.

The Economic Opportunity Act of 1964 created the Office of Economic Opportunity (OEO) and new program initiatives, including the organization of community action agencies (CAAs) and community action programs (CAPs) to stimulate a better focusing of all available local, State, private and Federal resources upon the goal of enabling low income families and low income individuals of all ages, in rural and urban areas, to attain the skills, knowledge and motivations and secure the opportunities needed for them to become fully self-sufficient. (Title II § 201 [a])

The Community Action Agencies and the Office of Economic Opportunity were created together – both federally and at the state level – and the partnership between the CAAs and OEO in Vermont has been one of trust, collaboration and accountability.

- Our federal funding comes through OEO and is dependent on the annual work plans we create and submit to OEO for approval.
- OEO provides technical expertise and oversight for the CAAs and is connected to the National Community Action Partnership.
- Our national Community Service Block Grant (CSBG) standards guide our work and we adhere to them through a process of Result-Oriented Management and Accountability (ROMA), which we have all invested in. We must adhere to these standards, and ROMA, in order to receive our federal funding. We do this work with OEO's oversight and technical assistance.
- Our CSBG standards already require a community needs assessment every three years.
- OEO functions as a monitoring and accountability entity and should continue in that capacity when VHEARTH goes into effect. This oversight will be critical to our success, as it will serve to keep the ultimate responsibility with the State Government.

We also want to say here that if the legislature wants the Community Action Agencies to take on this work, we need to know that the State supports us doing the work, **We do not support the language in the bill that suggests that at any time DCF can decide that one or more of us should not be doing the work.** (This language can be found in §2209(a)) DCF must be a partner with us and be willing to support us if they see a need for any one of us to address issues. Of course we have asked for continued state monitoring and will continue to be held to the highest organizational standards as we are now under OEO.

Expanded use of 211

We believe it is appropriate to expand 211 as another way for people to enter the system. It cannot be the only way into the new VHEARTH system, but it should be available to all 24/7 as one door people can go through to get the supports and services they need. We will note that 211 would need to be funded appropriately to ensure that people could get the referrals they need, and we encourage you to ask them what they would need to provide those added services.

Regional Needs Assessments

We support the inclusion of homelessness issues in our regional needs assessments. We are already required to do community needs assessments every 3 years, and the bill as passed by the House would require us to include the VHEARTH topics in our needs assessments and then use that information to create our annual regional plans. Our needs assessment process is robust, and we welcome the opportunity to do this work, closely collaborating with the local Housing Coalitions, including the Continuums of Care, and many other community organizations, individuals, and businesses.

Guiding Principles for Regional Planning

We believe eliminating the confusion of the conflicting timelines outlined above and moving toward the inclusion of a framework of guiding principles for regional planning in the bill would lead to a better statewide plan. We have not had time to do a full process for these suggested principles; however, we offer this as a place to start and to get feedback from other stakeholders. The idea would be that each CAA would lead a regional planning process that would adhere to these principles and address them in the regional plans.

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.

Funding

The 5 Community Action Agencies have collaborated to build budgets for the transition period. Again, we have not had much time, but we think we have a good estimate of what would be needed for us to successfully transition in FY26 to be ready for the first phase of VHEARTH as outlined above on July 1, 2027. We would note that this funding would need to be ongoing for the foreseeable future, as this transition will not abruptly end on that date, and most of this funding is for staff/consultants that would be overseeing this new work. **We believe the total needed for us all together is \$6.83 million/year.** We realize this is slightly more than what is currently budgeted in H.91, but it is essential that we are adequately funded to successfully prepare for this new work that we will be doing for the State and with and on behalf of our partners from the program funding.