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H.938

An act relating to establishing the Vermont Homelessness Response
Continuum

It is hereby enacted by the General Assembly of the State of Vermont:

* * * Findings, Legislative Intent, and Purpose * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) although an imperfect tool for measuring the true number of
unhoused Vermonters, the Vermont Homeless Management Information
System as of December 2025 indicated that there were 4,022 individuals who
were homeless in the State, 863 of whom were children under 18 years of age;
and

(2) the 2024 Vermont Housing Needs Assessment notes that of the
36,000 primary homes needed in Vermont between 2025 and 2029, the number
needed to address homelessness is 3,295.

Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) unsheltered homelessness be eliminated and that homelessness in
Vermont be rare, brief, and nonrecurring;

(2) Vermont reduce reliance on the inefficient use of hotel and motel
rooms for emergency housing;

1 (3) utilization of an emergency housing benefit to access hotels and
2 motels through the General Assistance program end and be replaced by a
3 continuum of services; and

4 (4) a continuum of supports and services be available to provide a stable
5 pathway to permanent housing that meets the specific needs of households
6 experiencing homelessness.

7 Sec. 3. PURPOSE

8 It is the purpose of this act to:

9 (1) establish a continuum of supports and services for households who
10 are experiencing homelessness or who are at risk of experiencing
11 homelessness;

12 (2) ensure that tailored, temporary emergency housing assistance is
13 available to Vermonters in a manner that encourages efficient and accountable
14 use of taxpayer funds;

15 (3) support self-sufficiency and reduce returns to homelessness by
16 developing personalized housing plans with required participation by
17 households;

18 (4) establish clear eligibility criteria and require active household
19 participation;

1 (5) expand the use of alternative emergency housing models in
2 partnership with municipalities, nonprofit community-based providers, and
3 private landlords;

4 (6) integrate supportive services to assist households to achieve
5 permanent housing stability;

6 (7) establish transparent accountability measures, reporting
7 requirements, and oversight mechanisms;

8 (8) increase program efficiency and promote maximum flexibility in
9 administering services and supports in the continuum;

10 (9) empower local communities to administer emergency housing
11 services with maximum flexibility; and

12 (10) create a diversified system of emergency housing options,
13 including shelters, specialized shelters, shared housing arrangements, host-
14 home models, master-lease units, and rapid rehousing placements, that provide
15 cost-effective, sustainable, and supportive outcomes to households.

16 * * * Creation of the Vermont Homelessness Response Continuum * * *

17 Sec. 4. 33 V.S.A. chapter 22 is added to read:

18 CHAPTER 22. VERMONT HOMELESSNESS RESPONSE CONTINUUM

19 § 2201. DEFINITIONS

20 As used in this chapter:

1 (1) “Alternative housing options” means housing options including
2 shelters, specialized shelters, transitional housing, recovery residences, shared
3 housing arrangements, host-home models, master-lease units, and rapid
4 rehousing placements.

5 (2) “Applicant” means a household that applies for emergency housing
6 assistance.

7 (3) “At risk of homelessness” means precariously housed without
8 sufficient income, resources, or support to prevent homelessness.

9 (4) “Case management services” means individualized supportive
10 services.

11 (5) “Coordinated entry” means a process that standardizes the way
12 households at risk of homelessness or experiencing homelessness access and
13 are assessed for and referred to the housing and services that a household needs
14 for housing stability.

15 (6) “Department” means the Department for Children and Families.

16 (7) “Disability” means a physical, sensory, cognitive, developmental, or
17 mental health condition or substance use disorder that substantially limits one
18 or more major life activities, or that requires ongoing support, accommodation,
19 or treatment to maintain an individual’s health, safety, or independence. The
20 term includes chronic or episodic conditions that significantly impact daily

1 functioning, regardless of whether the individual is receiving, or is eligible to
2 receive, federal disability benefits.

3 (8) “Diversion” means a strategy aimed at preventing homelessness by
4 helping households find immediate alternative housing options instead of
5 entering shelters. Diversion focuses on addressing the needs of those who
6 have recently lost their housing.

7 (9) “Eligible household” means a household that is homeless and is
8 physically present and intends to reside in Vermont as evidenced by active
9 participation in a housing, employment, or other Agency of Human Services-
10 recognized plan.

11 (10) “Emergency cold-weather shelter” means publicly funded shelter
12 beds made available to households during periods when the National Weather
13 Service is forecasting temperatures at or below 10 degrees Fahrenheit
14 including windchill for the majority of the State.

15 (11) “Emergency housing” means temporary shelter, lodging, or other
16 housing support, or related services provided to eligible households to protect
17 the health, safety, and welfare of an eligible household when no safe housing
18 option is immediately available.

19 (12) “Highly structured shelter” means a shelter that provides
20 programming that emphasizes case management, housing stability,
21 employment, education, or treatment services, as well as other services as

1 appropriate, in a manner that accommodates an eligible household’s disability,
2 if any.

3 (13) “Homeless” means:

4 (A) lacking a fixed, regular, and adequate nighttime residence;

5 (B) facing imminent loss of primary nighttime residence;

6 (C) fleeing or attempting to flee domestic violence, dating violence,
7 sexual assault, stalking, and other dangerous or life-threatening conditions that
8 relate to violence against a household or household member that either takes
9 place in the primary nighttime residence or causes the household or household
10 member to be afraid to return to the primary nighttime residence;

11 (D) residing in a place not meant for human habitation, such as cars,
12 parks, abandoned buildings, or streets; or

13 (E) otherwise defined as homeless under federal law.

14 (14) “Household” means an individual or group of individuals, with or
15 without children, including individuals who reside together as one economic
16 unit, who are married, parties to a civil union, or unmarried.

17 (15) “Low-barrier shelter” means a shelter that minimizes barriers to
18 entry by reducing the rules and programmatic requirements found in highly
19 structured shelters, while still providing case management and other housing
20 support services in a manner that accommodates an eligible household’s
21 disability, if any.

1 (16) “Minor child” means an individual under 18 years of age.

2 (17) “Office” means of the Office of Economic Opportunity.

3 (18) “Permanent supportive housing” means long-term housing with
4 wraparound services for individuals with complex health and social needs.

5 (19) “Prevention” means services intended to prevent a household from
6 becoming homeless, including housing relocation or stabilization services or
7 short-term rental assistance, including rental arrearage.

8 (20) “Program” means the Vermont Homelessness Response
9 Continuum.

10 (21) “Rapid rehousing” means short- to medium-term rental assistance
11 and supportive services aimed at assisting a household to quickly exit
12 homelessness.

13 (22) “Shelter” means a facility that meets the Department’s shelter
14 standards.

15 (23) “Specialized shelter” means a facility that meets the Department’s
16 shelter standards and applicable standards for the delivery of additional
17 services, including health care, mental health services, or services related to
18 substance use disorder.

19 (24) “Supportive services” means individualized supports that assist a
20 household in obtaining and maintaining housing, including:

- 1 (A) intake assessments and services for diversion from homelessness;
2 (B) household needs assessments;
3 (C) case management;
4 (D) individualized household plans to address identified needs;
5 (E) housing navigation services;
6 (F) assistance obtaining and retaining housing, including financial
7 assistance;
8 (G) landlord-tenant outreach, education, and conflict resolution;
9 (H) navigation to other services and supports as identified in the
10 household’s housing plan, including economic benefits, peer-supported
11 services, job training and employment services, services related to disability
12 and independent living advocacy, and referral to health care assistance,
13 including treatment for mental health conditions and substance use disorder;
14 (I) progress monitoring of interventions; and
15 (J) services to ensure continuity after a permanent placement.
16 (25) “Unsheltered homelessness” means sleeping in a location not
17 designed for or ordinarily used as a regular sleeping accommodation, including
18 cars, parks, abandoned buildings, or streets.

1 § 2202. ESTABLISHMENT; VERMONT HOMELESSNESS RESPONSE

2 CONTINUUM

3 (a) The Vermont Homelessness Response Continuum is established to
4 create an array of services that prevent and address homelessness in Vermont.
5 The Program shall be administered by the Department's Office of Economic
6 Opportunity.

7 (b) The Office shall maintain a continuum of services that is flexible,
8 housing focused, and designed to prevent homelessness whenever possible.
9 The continuum shall prioritize early intervention, rapid resolution of housing
10 crises, and equitable access to emergency and permanent housing.

11 (c) The Program shall:

12 (1) provide temporary emergency housing to eligible households
13 experiencing homelessness or at imminent risk of homelessness;

14 (2) reduce reliance on hotels and motels for emergency housing
15 assistance;

16 (3) expand the use of alternative housing options in partnership with
17 community organizations, municipalities, and private landlords;

18 (4) integrate case management and individualized housing plans into
19 all emergency housing placements; and

20 (5) ensure accountability, transparency, and cost efficiency in the use
21 of public funds.

1 § 2203. PROGRAM COMPONENTS

2 (a) The continuum of services shall consist of the following:

3 (1) level 1: prevention and diversion services;

4 (2) level 2: shelter services:

5 (A) level 2A: highly structured shelter services; and

6 (B) level 2B: low-barrier shelter services;

7 (3) level 3: specialized shelter services;

8 (4) level 4: permanent supportive housing services;

9 (5) level 5: hotels and motels; and

10 (6) other emergency housing services.

11 (b) The Office shall address each of the services in subsection (a) of this

12 section by separate line items in its budget. The Department shall be

13 responsible for any transfers to other Agency of Human Services departments

14 necessary to implement the services listed in subsection (a) of this section.

15 The Department and other departments within the Agency of Human Services

16 shall maximize federal receipts, as applicable, for services listed in subsection

17 (a) of this section, including by immediately implementing the Global

18 Commitment to Health waiver authority for “health related social needs” to the full
expenditure level authorized for demonstration years up to and including 2027,
including short-term rental assistance, short-term recuperative care (medical respite),
and community transition services, along with infrastructure expenditure authority for
systems development, training, and other implementation-related costs.

19 (c) Upon assessing a household’s needs, the Office or community partners

20 shall engage in a collaborative process with eligible households to provide them with choice of placement to the fullest extent possible, the household in the appropriate level of care to address the household's specific needs.

1 § 2204. PREVENTION AND DIVERSION SERVICES

2 Level 1: prevention and diversion services.

3 (1) Prevention and diversion services shall function as the primary entry
4 point to the Vermont Homelessness Response Continuum for all households,
5 although connection may be made at any level. The Office shall ensure that
6 prevention and diversion services are provided through an agreement with one
7 or more community partners in each region of the State in a manner that
8 accommodates an eligible household's disability, if any. All households, upon
9 request for assistance, shall receive a brief, standardized initial prevention and
10 diversion assessment to identify safe alternatives to homelessness and resolve
11 immediate housing barriers.

12 (2) Prevention includes activities to avert entry into homelessness.
13 Diversion includes problem-solving interventions and supports that safely
14 resolve a housing crisis without the use of shelter or hotel placements.

15 (3) Funds administered for prevention and diversion services shall have
16 maximum flexibility.

17 § 2205. SHELTER SERVICES

18 (a) Level 2A: highly structured shelter services.

19 (1) To the extent funds are appropriated for this purpose, the Office shall
20 determine the need for highly structured shelter services and develop sufficient

21 highly structured shelter beds to address that need. The Department through
1 the Office shall enter into agreements with community partners for the
2 provision of highly structured shelter services for a period of not less than two-
3 years at a time.

4 (2) Highly structured shelters shall provide programming that
5 emphasizes case management, housing stability, employment, education, or
6 voluntary treatment services, as well as other services as appropriate, in a manner
7 that
8 accommodates an eligible household's disability, if any. Eligible households
9 receiving highly structured shelter services shall participate in case
10 management and other services to the extent of the eligible household's ability.
11 Engagement in treatment will not be required for a household to remain in the
12 program.

13 (3) The Office shall ensure that highly structured shelter services meet
14 the Department of Public Safety, Vermont Fire and Building Safety Code
15 (CVR 28-070-001).

16 (4) If an eligible household's needs cannot be met with the level 1
17 prevention and diversion services in section 2204 of this chapter or permanent
18 supportive housing services in section 2207, highly
19 structured shelter services are the preferred initial placement if capacity,
20 staffing, and geographic accessibility are available, but households will be provided
21 with choice of placement to the fullest extent possible.

22 (b) Level 2B: low-barrier shelter services.

23 (1) To the extent funds are appropriated for this purpose, the Office shall

19 determine the need for low-barrier shelter services and develop sufficient low-
20 barrier shelters to address that need. The Department through the Office shall
1 enter into agreements with community partners for the provision of low-barrier
2 shelters for a period of not less than two years at a time.

3 (2) Low-barrier shelters shall minimize barriers to entry by reducing the
4 rules and programmatic requirements found in highly structured shelters, while
5 still providing case management and other housing support services in a
6 manner that accommodates an eligible household's disability, if any. Stays in
7 low-barrier shelters shall be time limited, and eligible households shall be
8 transitioned to highly structured shelter services or permanent housing as soon
9 as feasible.

10 (3) The Office shall ensure that low-barrier shelter services meet the
11 Department of Public Safety, Vermont Fire and Building Safety Code (CVR
12 28-070-001).

13 (4) If an eligible household's needs cannot be met with the level 1
14 prevention and diversion services in section 2204 of this chapter or permanent
supportive housing services in section 2207, households will be provided with choice
of placement in low-barrier shelter
15 services ~~may be utilized~~ if capacity, staffing, and geographic accessibility are
16 available.

17 § 2206. SPECIALIZED SHELTER SERVICES

18 Level 3: specialized services.

19 (1) To the extent funds are appropriated for this purpose:

1 (A) the relevant Agency of Human Services departments shall
2 determine the need for and, to the extent funds permit, develop specialized
3 shelter services that comply with the Department of Public Safety, Vermont
4 Fire and Building Safety Code (CVR 28-070-001), as well as any other
5 applicable standards relevant to the specialty population; and

6 (B) the relevant Agency of Human Services departments shall enter
7 into agreements with community partners for the provision of specialized
8 shelter services for a period of not less than two years.

9 (2) Specialized service shelters shall provide services delivered in a
10 highly structured shelter as well as additional specialty services, such as
 voluntary services for substance use disorder and mental and physical health
 conditions. Specialized shelters shall not be the sole option available to persons
 eligible for such services. Services must be made available in integrated settings in
 low-barrier shelters and highly structured shelters as well.

11 Eligible households receiving specialized shelter services shall participate in
12 case management and other services to the extent of the eligible household's
13 ability.

14 (3) If an eligible household's needs cannot be met with the level 1
15 prevention and diversion services in section 2204 or permanent supportive housing
 services in section 2207, of this chapter or the level 2
16 shelter services in section 2205 of this chapter, households will be provided with
 choice of placement in a specialized service shelter to the fullest extent possible
18 may be utilized if capacity, staffing, and geographic accessibility are available

19 and the eligible household requires specialized services.

1 § 2207. PERMANENT SUPPORTIVE HOUSING

2 Level 4: Permanent supportive housing.

3 (1) The Agency of Human Services or any department within the
4 Agency shall provide or enter an agreement for permanent supportive housing
5 that combines long-term, community-based rental assistance with voluntary,
6 flexible supportive services, such as family supportive housing and other
7 supportive housing services funded in whole or in part by Medicaid, if the
8 household and services are eligible for Medicaid.

9 (2) Eligible households receiving permanent supportive housing services
10 shall participate in case management, planning for housing stability, and other
11 services to the extent of the eligible household's ability.

12 (3) If an eligible household's needs cannot be met with the level 1
13 prevention and diversion services in section 2204 of this chapter, ~~the level 2~~
14 ~~shelter services in section 2205 of this chapter, or the level 3 specialized~~
15 ~~shelter services in section 2206 of this chapter,~~ permanent supportive housing
16 may be utilized where ~~the household meets the eligibility criteria for the program~~
and capacity, staffing, and geographic accessibility are

17 available.
(4) The Agency of Human Services shall immediately take all necessary steps to
implement the Health Related Social Needs waiver authority as provided for in the
Global Commitment to Health Waiver approved by the Centers for Medicare and
Medicaid Services under Section 1115 of the Social Security Act. The Agency shall
increase capacity in the Permanent Supportive Housing Assistance program and
provide all participating households with six months of rental assistance valued at

100% of the Department of Housing and Urban Development's fair market rent using Global Commitment Funds. The Department shall utilize Fiscal Year 2025 adjustments, appropriations, or amendments from the General Assistance Emergency Housing program to fund additional rental assistance for participants in the Permanent Supportive Housing program to extend the duration of rental assistance to a total of twelve months.

18 § 2208. HOTELS AND MOTELS

19 Level 5: hotels and motels.

20 (1) It is the intent of the General Assembly to decrease reliance on hotel
21 and motel rooms. However, until sufficient permanent affordable housing or
1 shelter services are available, the use of hotel and motel services shall be
2 permitted.

3 (2) If a hotel or motel is utilized pursuant to this section, the Department
4 shall:

5 (A) enter into an agreement with one or more community partners to
6 provide relevant supportive services to eligible households;

7 (B) permit a population-specific placement to the extent certain
8 populations are not isolated from the wider community served through the
9 Program; Population-specific placements will be offered as an option for qualifying
households, but will not be a requirement for participants to accept such placements.

10 (C) propose hotel and motel rates as part of its budget presentation
11 for the General Assembly's consideration;

12 (D) use only hotel and motel rates established by the General
13 Assembly;

14 (E) enter into agreements for the use of blocks of hotel and motel

15 rooms and negotiate conditions of use for those blocks, including access to
16 providers of case management and other supportive services, with space to
17 provide services as negotiated; and

18 (F) ensure that services are not provided pursuant to this section on a
19 night-by-night basis.

1 (3) If a hotel or motel is utilized pursuant to this section, the eligible
2 household shall participate in case management services, planning for housing
3 stability, and other services to the extent of the eligible household's ability.

4 (4) A hotel or motel used pursuant to this chapter shall comply with
5 Program rules and the following rules:

6 (A) Department of Health, Licensed Lodging Establishment Rule
7 (CVR 13-140-023); and

8 (B) Department of Public Safety, Vermont Fire and Building Safety
9 Code (CVR 28-070-001).

10 (5)(A) To the extent funds are appropriated for this purpose:

11 (i) between April 1 and November 30 of each year, the utilization
12 of hotel and motel rooms pursuant to this section shall be capped at 700 rooms
13 per night; and

14 (ii) between December 1 and March 31 of each year, the
15 utilization of hotel and motel rooms pursuant to this section shall be capped at
16 1,000 rooms per night.

17 (B) Hotel and motel rooms utilized by individuals served under 33

18 V.S.A. § 602 shall not be included in the room caps provided in this
19 subdivision (5).

20 (6) If an eligible household's needs cannot be met by levels 1–4 of the
21 continuum as described in sections 2204–2207 of this chapter, the Office may
1 utilize hotels and motels if capacity, staffing, and geographic accessibility are
2 available.

3 § 2209. OTHER EMERGENCY HOUSING SERVICES

4 (a) Municipal supports. The Department through the Office shall provide
5 grants to municipalities in areas of the State with a high volume of unsheltered
6 homelessness, including municipalities underserved by traditional funding
7 sources. The use of this aid is at the discretion of the municipality and
8 includes providing access to basic life-sustaining shelter when the National
9 Weather Service declares a cold weather advisory. Shelter provided pursuant
10 to this subsection shall be time limited, shall not require a coordinated entry
11 assessment or case management, and shall have minimal data reporting
12 requirements.

13 (b) Emergency cold-weather shelters. Emergency cold-weather shelters
14 shall be managed through an agreement between the Office and one or more
15 community partners to provide overnight, low-barrier shelter when weather
16 conditions warrant. The Office and community partners shall ensure equitable
17 access to emergency cold-weather shelters for communities with a high

18 number of households experiencing unsheltered homelessness. Shelter
19 provided pursuant to this subsection shall be time limited, shall not require a
20 coordinated entry assessment or case management, and shall have minimal
21 data reporting requirements.

1 (c) Alternative Agency of Human Services housing solutions. The Agency
2 of Human Services, through its various departments, provides households with
3 other time-limited or permanent housing. Such services include recovery
4 housing, various residential supports for individuals with intellectual or
5 developmental disabilities, home care services for older Vermonters and
6 individuals with physical disabilities, transitional housing for individuals
7 exiting correctional custody, and residential options for individuals with
8 mental health challenges. Emergency housing provided through the Program
9 is not intended in lieu of access to any other Agency of Human Services time-
10 limited or permanent housing, but no person shall be denied emergency housing or
other services through the Program because they have declined placement in an
institutional or other segregated setting when it is clinically appropriate for them to
receive services in a home and community-based setting.

11 § 2210. HOUSEHOLD RESPONSIBILITIES

12 (a) Within the funds appropriated for this purpose, a household shall
13 qualify for services under the Program if the household:

14 (1) is physically present and intends to reside in Vermont as evidenced
15 by ~~an~~ active participation ~~in~~ in a housing, employment, or other Agency of Human
16 Services-recognized plan, unless exempt from such active participation pursuant to a
reasonable accommodation or other waiver;

- 17 (2) agrees to a coordinated entry assessment that prioritizes the
18 household for permanent housing, unless explicitly exempt under this chapter;
- 19 (3) engages with a lead case management entity, such as a department of
20 the Agency of Human Services or a community partner, to develop a housing
21 plan and participate in employment, ~~treatment,~~ or other activities as
1 appropriate, unless explicitly exempt from case management requirements
2 under this chapter or by federal law; and
- 3 (4) abides by program rules and refrains from misconduct.
- 4 (b)(1) The Office or a community partner shall provide clear written notice
5 to all applicants regarding penalties for fraud at the time of application.
- 6 (2) The Office or a community partner shall not impose a penalty upon a
7 household for a good faith, immaterial error that was corrected upon notice
8 within a reasonable period of time.
- 9 (3) A household that knowingly provides false, misleading, or
10 incomplete information regarding residency, disability status, household
11 composition, or other eligibility criteria shall be subject to ~~temporary~~ termination of
12 Services for ~~within 30 days~~ ~~from the date a household is exited~~ after receiving
 written notice from the Department or a community partner.
- ~~13 (4) Pending the outcome of a relevant Human Services Board hearing,~~
~~14 the Office may refer cases of suspected fraud to the Office of the Attorney~~
~~15 General or a State's Attorney for investigation and prosecution under~~
~~16 applicable State law.~~

17 ~~(c) A household may be terminated from the Program for repeatedly~~
18 ~~refusing suitable placements following documented suitability assessments and~~
19 ~~reasonable accommodations.~~

1 (d) A member or members of an eligible household may be subject to
2 immediate termination of services as necessary for the safety of others if the
3 member or members are engaged in:

4 (1) criminal activity; or
5 (2) misconduct that is not related to a disability or to victimization
6 related to abuse, sexual assault, or stalking.

7 (e) As used in this section, “misconduct” means documented behaviors that
8 materially endanger the safety of others, involve the intentional destruction of
9 property, or constitute illegal activity.

10 § 2211. PRIORITIZATION

11 (a) The Office, either directly or through community partners, shall
12 prioritize services in hotels and motels as defined by § 2208 within the funds
13 appropriated for this purpose to eligible
households for § 2208. Hotels and motels, who are homeless or at risk of becoming
homeless and have a member who:

14 (1) is 65 years of age or older;

15 (2) has a disability;

16 (3) is a minor child;

17 (4) is pregnant;

18 (5) is experiencing domestic violence, dating violence, sexual assault,
19 stalking, human trafficking, or other dangerous or life-threatening conditions;
20 or

1 (6) is under court-ordered eviction or constructive eviction due to
2 circumstances over which the household has no control.

3 (b)(1) Proof of an eligible household's disability shall be verified by:

4 (A) a health care provider licensed or certified and practicing in
5 Vermont;

6 (B) a determination or certification from a State- or federally-
7 recognized agency or program that provides services to individuals with
8 disabilities; or

9 (C) self-attestation by the eligible household, subject to verification
10 by the State or community partner within 30 days when other documentation is
11 not reasonably available at the time of application.

12 (2) The presence of an eligible household member's disability shall be
13 verified by the Office or a community partner during the household's initial
14 application process and shall be redetermined annually if the household is still
15 receiving services. An eligible household with a member who has a lifelong
16 disability, such as an intellectual or developmental disability, shall not be
17 required to have the disability redetermined.

18 (c) The Office and community partners shall comply with the Americans

19 with Disabilities Act, 42 U.S.C. § 12101–12213, and section 504 of the
20 Rehabilitation Act of 1973, 29 U.S.C. § 794, for the purposes of providing
21 reasonable modifications, effective communication, and accessible placements.
1 Program rules and case management requirements shall be reasonably
2 modified, including the use of plain language, as necessary to avoid
3 discrimination against eligible households with a member who has a disability.

4 § 2212. TIME LIMITS FOR PROGRAM PARTICIPATION

5 (a) Time limits for Program participation shall be governed by the level of
6 service provided as follows:

7 (1) level 1: any temporary housing that is not provided in the form of
8 temporary rental assistance through the Program’s prevention and diversion
9 services shall not exceed 30 days per rolling 12-month period;

10 (2) level 2: the Office, in collaboration with shelter providers, shall
11 establish the maximum length of stay in highly structured shelters and low-
12 barrier shelters in rule or shelter standards.

13 (3) level 3: the Department, in collaboration with other relevant Agency
14 of Human Services’ departments, shall establish the maximum length of stay in
15 specialized shelters in rule or shelter standards.

16 (4) level 4: permanent supportive housing services may be utilized by
17 an eligible household for as long as the eligible household’s plan indicates it is
18 necessary; and

1 (5) level 5: hotels and motels:

2 (A) between April 1 and November 30 of each year, eligible
3 households may receive housing at hotels and motels with supportive services
4 for not more than 70 days per rolling 12-month period; and

5 (B) between December 1 and March 31 of each year, eligible
6 households may receive continual services in cold-weather-use hotels and
7 motels, which shall not be applied toward the time limit established in
8 subdivision (A) of this subdivision (5).

9 (b) The Department may grant extensions to the time limits established in
10 subsection (a) of this section pursuant to criteria adopted in rule, including for:

11 (1) an eligible household actively awaiting a placement in housing,
12 treatment, or other services;

13 (2) medical necessity;

14 (3) lack of reasonable alternative accessible placements for a member of
15 the eligible household with a disability; and

16 (4) imminent risk to the health or safety of one or more of the eligible
17 household's members.

18 § 2213. CASE MANAGEMENT SERVICES

19 Each eligible household shall be assigned a lead case manager, except
20 where specifically exempted for certain services, which may be from any
21 Agency of Human Services department or a community partner. Case

1 management services provided pursuant to this chapter shall be informed by
2 the acuity level of the eligible household and include individualized supports
3 that connect an eligible household to public assistance, health care,
4 employment, permanent housing, and other services. A household may request
5 a specific case manager or a change in case manager.

6 § 2214. NEEDS ASSESSMENT

7 The Office and community partners shall provide advice and consultation to
8 the Department of Housing and Community Development in its completion of
9 a needs assessment that identifies gaps in services for households that are
10 homeless in the State and includes recommendations to ensure the provision of
11 equitable services throughout the State.

12 § 2215. NOTICE; APPEALS; RIGHT TO FAIR HEARING

13 (a) The Office or a community partner shall provide written notice to any
14 applicant or household whose participation in the Program is approved, denied,
reduced,
15 suspended, or terminated. Notice shall include:

16 (1) the specific factual and legal basis for the Office or community
17 partner's decision;

18 (2) the effective date of the action, which in the case of termination,
19 reduction, or suspension of services shall not be sooner than 30 days after the
20 date of the written notice, in the household's preferred method of

21 communication;

1 (3) a statement of the right to request a fair hearing pursuant to this
2 section; and

3 (4) clear instructions, in plain language, on the process and deadlines for
4 filing an appeal.

5 (b) An applicant for or a recipient of assistance pursuant to this chapter
6 may file a request for a fair hearing with the Human Services Board pursuant
7 to 3 V.S.A. § 3091 when:

8 (1) an application for assistance under the Program is denied in whole or
9 part;

10 (2) a household's benefits are terminated, reduced, or suspended; or

11 (3) the household believes that benefits have not been provided in
12 accordance with applicable rules or policies.

13 (c) An applicant or household shall file a request for a fair hearing with the
14 Human Services Board within 60 days after the date of the written notice
15 pursuant to subsection (a) of this section.

16 (d) If a household files a request for a fair hearing within 14 days after
17 receiving notice pursuant to subsection (a) of this section, the Office or
18 community partner providing notice shall continue to provide services under
19 the Program without interruption until a decision is issued by the Human
20 Services Board, unless:

1 (1) the household voluntarily waives continued services; or

2 (2) a household or household's member's continued receipt of services
3 poses a risk of safety to others.

4 (e) The hearing shall be conducted in accordance with due process
5 standards, including the right to present evidence, cross-examine witnesses,
6 and be represented by counsel or another authorized representative.

7 (f) The Human Services Board shall issue a written decision that sets forth
8 findings of fact, conclusions of law, and the basis for its decision, and the
9 process for appealing the decision to the Vermont Supreme Court.

10 (g) If the Human Services Board issues 20 substantially identical decisions
11 brought by Vermont Homelessness Response Continuum applicants or
12 recipients, the Department and community partners shall adopt the Board's
13 interpretation as part of its administration of the Program and the Department
14 shall revise the Program rules accordingly.

15 § 2216. RULEMAKING

16 The Department shall adopt rules pursuant to 3 V.S.A. chapter 25 for the
17 implementation of the Vermont Homelessness Response Continuum,
18 addressing at a minimum:

19 (1) requirements for community providers participating in the Program;

20 (2) standards for highly structured, low-barrier, and specialized shelters;

1 (3) documentation requirements for household eligibility, including
2 disability;

3 (4) required elements for supportive services, including case
4 management;

5 (5) the creation of a brief, standardized initial assessment form that may
6 be completed by hand, electronically, or by telephone;

7 (6) a process for issuing timely, written approval or denial notifications
8 to applicants;

9 (7) a process for issuing advanced notice to households when the
10 household is being terminated from the program;

11 (8) applicant and household appeal procedures;

12 (9) time limits for Program participation, including procedures for
13 extensions;

14 (10) expectations for the Office's oversight and quality monitoring; and

15 (11) other subjects as deemed necessary.

16 § 2217. REPORTING

17 (a) Annually, as part of the Department's budget presentation, the
18 Department shall provide a status report addressing each level of the Vermont
19 Homelessness Response Continuum. Minimally, the status report shall
20 address:

1 (1) the number of households served within each level of the continuum;

- 2 (2) the average length of participation for households within each level
3 of the continuum and the rate at which households successfully transition to
4 permanent housing;
- 5 (3) the number of households diverted from entering shelters or hotel
6 and motel placements through prevention and diversion services;
- 7 (4) the utilization of hotels and motels, including:
8 (A) the average nightly number of rooms used;
9 (B) the average and median length of stay; and
10 (C) the extent to which hotel and motel usage has decreased relative
11 to the prior fiscal year;
- 12 (5) housing stability outcomes, including rates of return to homelessness
13 within six and 12 months following exit from the Program;
- 14 (6) an assessment of regional capacity and access to services, including
15 identification of geographic areas with unmet needs or disproportionate
16 utilization of emergency housing resources;
- 17 (7) total expenditures by continuum level and funding source, including
18 State, federal, and other funds, and an analysis of cost efficiency across
19 housing models; and
- 20 (8) any operational barriers to implementation of the continuum, along
21 with recommendations for administrative or legislative action.

1 (b) Annually, as part of the Department’s budget presentation, the
2 Department shall set goals for increased housing capacity, including permanent
3 supportive housing, permanent affordable housing, and shelter beds. The
4 Department shall provide data pertaining to the increased shelter capacity and
5 the extent to which shelter capacity meets the needs of eligible households
6 experiencing homelessness each year.

7 (c) On or before the last day of each month, the Office, or other relevant
8 agency or department, shall post on its website a substantially similar report to
9 that due pursuant to 2023 Acts and Resolves No. 81, Sec. 6(b), including the
10 Office’s monthly expenditure on the Program by level.

11 * * * Continuums of Care; Required Merger * * *

12 Sec. 5. MERGER OF CONTINUUMS OF CARE

13 (a) In order to promote the effective use of resources and continuity of care,
14 the Department for Children and Families’ Office of Economic Opportunity
15 shall work in collaboration with the Chittenden County Homeless Alliance, the
16 Balance of State Continuum of Care, and the U.S. Department of Housing and
17 Urban Development to establish a single continuum of care in the State on or
18 before October 1, 2028.

19 (b) On or before January 15, 2028, the Office shall submit a written report
20 to the House Committee on Human Services and to the Senate Committee on

1 Health and Welfare summarizing efforts to establish a single continuum of care
2 pursuant to this section.

3 * * * Effective October 1, 2028, Requirements of Grantees * * *

4 Sec. 6. 33 V.S.A. § 2218 is added to read:

5 § 2218. GRANT REQUIREMENTS

6 Any grant or other agreement executed by the Agency of Human Services
7 or its departments shall require a community partner, as appropriate, to:

8 (1) participate in the local housing coalition or other group established
9 to assist eligible households who are homeless;

10 (2) utilize the coordinated entry assessment for eligible households who
11 are homeless or at risk of homelessness;

12 (3) utilize the appropriate planning process and options for an eligible
13 household transitioning into permanent housing, including for eligible
14 households with an individual who has an intellectual or developmental
15 disability, older Vermonters, or individuals transitioning from a correctional
16 facility or hospital; and

17 (4) measure performance outcomes, including diversion success, time-
18 to-housing, and housing retention.

1 * * * Transition; Vermont Homelessness Response Continuum * * *

2 Sec. 7. TRANSITION TO THE VERMONT HOMLESSNESS RESPONSE

3 CONTINUUM

4 Recognizing that the Department and community partners do not have the
5 capacity to fully implement the Vermont Homelessness Response Continuum
6 established in 33 V.S.A. chapter 22 on July 1, 2026, the Department through
7 the Office and community partners shall implement the Program to the fullest
8 extent of their ability in fiscal year 2027 while developing the capacity to fully
9 implement the Program in fiscal year 2028.

10 Sec. 8. INTERIM EMERGENCY RULEMAKING; DEADLINE FOR

11 ADOPTION OF PERMANENT RULES

12 (a) Pending the adoption of permanent rules on the Vermont Homelessness
13 Response Continuum, the Commissioner for Children and Families shall adopt
14 and maintain emergency rules pursuant to 3 V.S.A. § 844, which shall be
15 deemed to meet the standard for emergency rulemaking pursuant to 3 V.S.A.
16 § 844(a). Emergency rules required by this subsection shall take effect on July
17 1, 2026, and shall, at a minimum, address the required topics listed in 33
18 V.S.A. § 2216.

19 (b) Unless extended by the Legislative Committee on Administrative Rules
20 pursuant to 3 V.S.A. § 843(c), the Department shall, on or before October 1,

1 2027, adopt permanent rules pursuant to 3 V.S.A. chapter 25 on the Vermont
2 Homelessness Response Continuum as required by 33 V.S.A. § 2216.

3 Sec. 9. IMPLEMENTATION STATUS REPORT; VERMONT

4 HOMELESSNESS RESPONSE CONTINUUM

5 On or before February 15, 2027, the Department for Children and Families'
6 Office of Economic Opportunity shall present a progress report to the House
7 Committee on Human Services and to the Senate Committee on Health and
8 Welfare the Office's implementation of the Vermont Homelessness Response
9 Continuum established pursuant to 33 V.S.A. chapter 22. The Office's
10 presentation shall include an initial draft of the Department's permanent rules
11 for implementation of the Vermont Homelessness Response Continuum and
12 any recommendations for legislative action.

13 * * * Supportive and Shelter Services for Households Experiencing Domestic
14 or Sexual Violence * * *

15 Sec. 10. 33 V.S.A. chapter 6 is amended to read:

16 CHAPTER 6. PREVENTION AND TREATMENT OF SEXUAL ABUSE
17 AND DOMESTIC AND SEXUAL VIOLENCE

18 * * *

1 § 602. SUPPORTIVE SERVICES AND SHELTER FOR HOUSEHOLDS
2 EXPERIENCING DOMESTIC OR SEXUAL VIOLENCE

3 The Department shall select and enter into an agreement with a statewide

4 organization to provide or cause to be provided supportive services and shelter
5 to those households that are experiencing or that have experienced domestic or
6 sexual violence. If the statewide organization cannot fulfill its responsibilities
7 under this section, the Department shall work with another entity to ensure that
8 there is not a gap in services.

9 * * * Vermont Rental Assistance Bridge Program * * *

10 Sec. 11. VERMONT RENTAL ASSISTANCE BRIDGE PROGRAM

11 (a) The Vermont Rental Assistance Bridge Program is established within
12 the Vermont State Housing Authority for the purpose of linking households
13 who require rental assistance to permanent housing when the household does
14 not otherwise have access to relevant U.S. Department of Housing and Urban
15 Development rental assistance. The Program shall be accessible to eligible
16 clients served by each of the Agency of Human Services' departments.

17 (b) The Program shall be available to a household for not more than 24
18 months and shall not provide the full amount of the household's rental
19 payment. Program payments shall be made directly from the Vermont State
20 Housing Authority to a household's landlord.

1 (c) Program priority shall be given to current recipients of the HOME Family
2 Housing Voucher

3 Program, established pursuant to 10 V.S.A. § 321(b)(2), who have not yet
4 reached 24 months of rental assistance.

4 (d) The Vermont State Housing Authority and relevant departments of the

5 Agency of Human Services shall jointly work to:

6 (1) incorporate any existing rental assistance funded by the Agency and
7 its department into the Program established in this section; and

8 (2) establish eligibility criteria and any prioritization that may be
9 necessary for this use of funds appropriated for this Program.

10 (e) It is the intent of the General Assembly that funds are appropriated for
11 the Vermont Rental Assistance Bridge Program through fiscal year 2030. It is the
intent of the General Assembly that the Vermont Rental Assistance Bridge Program
shall not replace the Department of Mental Health Subsidy & Care Program through
the Department of Mental Health, the Vermont Rental Subsidy Program of the
Department for Children and Families, the Bridge HOPWA Program through the
Vermont Department of Health, the Rapid Re-housing Program, or any other pre-
existing Agency of Human Services permanent supportive housing or rental
assistance program, and that allocations for those programs should continue at no less
than fiscal year 2026 levels.

12 * * * Payment Rate Structure and Fiscal Year 2027 Expenditures * * *

13 Sec. 12. PAYMENT RATE STRUCTURE; SHELTER SERVICES

14 The Department for Children and Families, in collaboration with the
15 Agency of Human Services and relevant community partners, shall establish a
16 payment rate structure, including periodic rate reviews, for all shelter services
17 required by this act. The structure shall include a base rate and potential for
18 supplemental payment to the base if necessary and appropriate. On or before
19 April 1, 2027, the Department shall submit a report to the House Committee on
20 Human Services and to the Senate Committee on Health and Welfare regarding

1 the implementation of the payment rate structure and the Department's
2 proposed timeline for implementation.

3 Sec. 13. FISCAL YEAR 2027 CAPPED ROOM RATES

4 In fiscal year 2027, the Department for Children and Families or
5 community partners shall not pay a hotel or motel establishment providing
6 emergency housing more than the hotel's lowest advertised room rate and not
7 more than \$80 a day per room to shelter a household participating in the
8 Vermont Homelessness Response Continuum. The Department for Children
9 and Families or community partners may shelter a household in more than one
10 hotel or motel room depending on the household's size and composition.

11 Sec. 14. EXPENDITURES; VERMONT HOMELESSNESS RESPONSE
12 CONTINUUM

13 (a) This act provides for the fiscal year 2027 expenditure of \$82,634,153.00
14 for the provision of services, implementation of the Vermont Homelessness
15 Response Continuum, shelter development and operation, rental assistance,
16 and supportive services, including case management, as follows:

17 (1) \$39,284,606.00 for the Housing Opportunity Grant Program
18 operations, of which \$38,251,696.00 is base funding from the General Fund,
19 \$830,422.00 is federal funding, and \$202,488.00 is from the Global
20 Commitment Fund;

1 (2) \$4,400,000.00 for the shelter development, of which \$1,400,000.00

2 is base funding from the General Fund and \$3,000,000.00 is one-time funding
3 from the General Fund;

4 (3) \$23,870,000.00 for emergency housing in hotels and motels, of
5 which \$9,751,120.00 is base funding from the General Fund and
6 \$14,118,880.00 is one-time funding from the General Fund;

7 (4) \$2,400,000.00 for case management, of which \$2,400,000.00 is base
8 funding from the General Fund;

9 (5) \$4,200,000.00 [] for permanent supportive housing and family
10 supportive housing, including rental assistance and other health related social needs,
of which \$778,987.00 is base funding from the General

11 Fund and \$3,421,013.00[] is from the Global Commitment Fund in 2026; and an
additional \$[] shall be allocated from the Global Commitment Fund in 2027; and
as indicated in Sec. 14(c), all General Assistance emergency housing or the
Housing Opportunity Grant Program that remain unspent at the end of
12 fiscal year 2025 and 2026 shall be carried forward to further extend rental assistance
13 for permanent supportive housing assistance program participants;

14 (6) \$3,000,000.00 for rental assistance, of which \$3,000,000.00 is base
15 funding from the General Fund, but such funding shall be in addition to funding for
other rental assistance and permanent supportive housing programs of the Agency,
which shall be funded at no less than the allocations to such programs in fiscal year
16 2026;

17 (7) \$500,000.00 for grants to municipalities, of which \$500,000.00 is
one-time funding from the General Fund;

(8) \$1,500,000.00 for emergency cold weather shelters, of which
\$1,500,000.00 is one-time funding from the General Fund;

18 (9) \$314,618.00 for other expenses, of which \$314,618.00 is from
19 federal funding; and

1 (10) \$3,164,929.00 for staffing, grants, and contracts, of which
2 \$1,100,000.00 is base funding from the General Fund and \$2,064,929.00 is
3 one-time funding from the General Fund.

4 (b) Any funds that remain unspent at the end of fiscal year 2027 shall be
5 carried forward for the same purpose for which they were originally
6 appropriated in this section.

7 (c) Any funds appropriated for General Assistance emergency housing or
8 the Housing Opportunity Grant Program that remain unspent at the end of
9 fiscal year 2026 shall be carried forward for investment in the Vermont
10 Homelessness Response Continuum in fiscal year 2027.

11 * * * Removing General Assistance Annual Report * * *

12 Sec. 15. 33 V.S.A. § 2115 is amended to read:

13 § 2115. ~~GENERAL ASSISTANCE PROGRAM REPORT~~

14 ~~On or before September 1 of each year, the Commissioner for Children and~~
15 ~~Families shall submit a written report to the Joint Fiscal Committee; the House~~
16 ~~Committees on Appropriations, on General, Housing, and Military Affairs, and~~
17 ~~on Human Services; and the Senate Committees on Appropriations and on~~
18 ~~Health and Welfare. The report shall contain the following:~~

19 ~~(1) an evaluation of the General Assistance program during the previous~~
20 ~~fiscal year;~~

- 1 ~~(2) any recommendations for changes to the program;~~
- 2 ~~(3) a plan for continued implementation of the program;~~
- 3 ~~(4) statewide statistics using deidentified data related to the use of~~
4 ~~emergency housing vouchers during the preceding State fiscal year, including~~
5 ~~demographic information, client data, shelter and motel usage rates, clients'~~
6 ~~primary stated cause of homelessness, and average lengths of stay in~~
7 ~~emergency housing by demographic group and by type of housing; and~~
- 8 ~~(5) other information the Commissioner deems appropriate. [Repealed.]~~

9 * * * Effective Dates * * *

10 Sec. 16. EFFECTIVE DATES

- 11 (a) This section and Sec. 8 (deadline for adoption of permanent rules;
12 interim emergency rulemaking) shall take effect on passage.
- 13 (b) Sec. 6 (grant requirements) shall take effect on October 1, 2028.
- 14 (c) All remaining sections shall take effect on July 1, 2026.