

## Senate proposal of amendment

### H. 938

An act relating to establishing the Vermont Homelessness Response Continuum.

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* 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;

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

(4) a continuum of supports and services be available and administered flexibly in a manner that:

(A) provides a stable pathway to permanent housing;

(B) meets the specific needs of households experiencing homelessness; and

(C) supports community partners.

#### Sec. 3. PURPOSE

It is the purpose of this act to:

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER 22. VERMONT HOMELESSNESS RESPONSE CONTINUUM

§ 2201. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

(7) “Disability” means a physical, sensory, cognitive, developmental, or mental health condition or substance use disorder that substantially limits one or more major life activities, or that requires ongoing support, accommodation, or treatment to maintain an individual’s health, safety, or independence. The term includes chronic or episodic conditions that significantly impact daily functioning, regardless of whether the individual is receiving, or is eligible to receive, federal disability benefits.

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

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

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

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

(12) “Highly structured shelter” means a shelter that provides programming that emphasizes case management, housing stability, employment, education, or treatment services, as well as other services as appropriate, in a manner that accommodates an eligible household’s disability, if any.

(13) “Homeless” means:

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

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

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

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

(E) otherwise defined as homeless under federal law.

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

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

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

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

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

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

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

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

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

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

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

- (A) intake assessments and services for diversion from homelessness;
- (B) household needs assessments;
- (C) case management;
- (D) individualized household plans to address identified needs;
- (E) housing navigation services;
- (F) assistance obtaining and retaining housing, including financial assistance;
- (G) landlord-tenant outreach, education, and conflict resolution;
- (H) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living advocacy, and referral to health care assistance, including treatment for mental health conditions and substance use disorder;
- (I) progress monitoring of interventions; and
- (J) services to ensure continuity after a permanent placement.

(25) "Unsheltered homelessness" means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation, including cars, parks, abandoned buildings, or streets.

#### § 2202. ESTABLISHMENT; VERMONT HOMELESSNESS RESPONSE CONTINUUM

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

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

(c) The Program shall:

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

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

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

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

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

(d) All funding opportunities available under the Program shall be open to any entity or community partner, including those that did not previously receive funding.

#### § 2203. PROGRAM COMPONENTS

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

(1) level 1: prevention and diversion services;

(2) level 2: shelter services:

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

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

(3) level 3: specialized shelter services;

(4) level 4: hotels and motels;

(5) permanent supportive housing services; and

(6) other emergency housing services.

(b) The Office shall address each of the services in subsection (a) of this section by separate line items in its budget. The Department shall be responsible for any transfers to other Agency of Human Services departments necessary to implement the services listed in subsection (a) of this section. The Department and other departments within the Agency of Human Services shall maximize federal receipts, as applicable, for services listed in subsection (a) of this section.

(c) Upon assessing a household's needs, the Office or community partners shall offer to place the household in the appropriate level of care to address the household's specific needs if capacity, staffing, and geographic accessibility are available.

#### § 2204. PREVENTION AND DIVERSION SERVICES

Level 1: prevention and diversion services.

(1) Prevention and diversion services shall function as the primary entry point to the Vermont Homelessness Response Continuum for all households, although connection may be made at any level. The Office shall ensure that prevention and diversion services are provided through an agreement with one or more community partners in each region of the State in a manner that

accommodates an eligible household's disability, if any. All households, upon request for assistance, shall receive a brief, standardized initial prevention and diversion assessment to identify safe alternatives to homelessness and resolve immediate housing barriers.

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

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

#### § 2205. SHELTER SERVICES

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

(1) To the extent funds are appropriated for this purpose, the Office shall determine the need for highly structured shelter services and develop sufficient highly structured shelter beds to address that need. The Department through the Office shall enter into agreements for a period of not less than two years at a time with community partners for the provision of highly structured shelter services.

(2) Highly structured shelters shall offer programming that emphasizes case management, housing stability, employment, education, or treatment services, as well as other services as appropriate, in a manner that accommodates an eligible household's disability, if any. Eligible households receiving highly structured shelter services shall participate in case management and other services to the extent of their ability.

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

(4) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter, highly structured shelter services are the preferred initial placement if capacity, staffing, and geographic accessibility are available.

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

(1) To the extent funds are appropriated for this purpose, the Office shall determine the need for low-barrier shelter services and develop sufficient low-barrier shelters to address that need. The Department through the Office shall enter into agreements for a period of not less than two years at a time with community partners for the provision of low-barrier shelter services.

(2) Low-barrier shelters shall minimize barriers to entry by reducing the rules and programmatic requirements found in highly structured shelters, while still providing case management and other housing support services in a

manner that accommodates an eligible household's disability, if any. Stays in low-barrier shelters shall be time limited, and eligible households shall be transitioned to highly structured shelter services or permanent housing as soon as feasible.

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

(4) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter or the highly structured shelter services in subsection (a) of this section, low-barrier shelter services may be utilized if capacity, staffing, and geographic accessibility are available.

#### § 2206. SPECIALIZED SHELTER SERVICES

Level 3: specialized shelter services.

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

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

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

(2) Specialized service shelters shall offer services delivered in a highly structured shelter as well as additional specialty services, such as services for substance use disorder and mental and physical health conditions. Eligible households receiving specialized shelter services shall participate in case management and other services to the extent of their ability.

(3) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter or the level 2 shelter services in section 2205 of this chapter, a specialized service shelter may be utilized if capacity, staffing, and geographic accessibility are available and the eligible household requires specialized services.

#### § 2207. HOTELS AND MOTELS

Level 4: hotels and motels.

(1) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms. However, until sufficient permanent affordable housing or

shelter services are available, the use of hotel and motel services shall be permitted.

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

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

(B) permit a population-specific placement to the extent certain populations are not isolated from the wider community served through the Program;

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

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

(E) enter into agreements for the use of blocks of hotel and motel rooms and negotiate conditions of use for those blocks, including access to providers of case management and other supportive services, with space to provide services as negotiated; and

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

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

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

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

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

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

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

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

(B) Hotel and motel rooms utilized by individuals served under section 602 of this title shall not be included in the room caps provided in this subdivision (5).

(6) If an eligible household's needs cannot be met by levels 1–3 of the Program as described in sections 2204–2206 of this chapter, the Office may utilize hotels and motels if capacity, staffing, and geographic accessibility are available.

#### § 2208. PERMANENT SUPPORTIVE HOUSING SERVICES

The Agency of Human Services' departments or their community partners shall offer to provide permanent supportive housing services to an eligible household participating in the Program. Permanent supportive housing services provided pursuant to this section shall combine long-term, community-based rental assistance with voluntary, flexible supportive services, such as family supportive housing and other supportive housing services funded in whole or in part by Medicaid, if the household and services are eligible for Medicaid. An eligible household receiving permanent supportive housing services shall participate in case management, planning for housing stability, and other services to the extent of the eligible household's ability. Permanent supportive housing services may be utilized by an eligible household for as long as the eligible household's plan indicates it is necessary.

#### § 2209. OTHER EMERGENCY HOUSING SERVICES

(a) Municipal supports. The Department through the Office shall provide grants to municipalities in areas of the State with a high volume of unsheltered homelessness, including municipalities underserved by traditional funding sources. An eligible municipality may submit to the Office a grant application containing the estimated cost of the municipality's proposal and other identified funding sources. The use of grant funding awarded pursuant to this subsection is at the discretion of the municipality and shall include the provision of basic life-sustaining shelter when the National Weather Service declares a cold weather advisory. Shelter provided pursuant to this subsection shall be time limited, shall not require a coordinated entry assessment or case management, and shall have minimal data reporting requirements.

(b) Emergency cold-weather shelters. Emergency cold-weather shelters shall be managed through an agreement between the Office and one or more community partners to provide overnight, low-barrier shelter when weather conditions warrant. The Office and community partners shall ensure equitable access to emergency cold-weather shelters for communities with a high number of households experiencing unsheltered homelessness. Shelter provided pursuant to this subsection shall be time limited, shall not require a coordinated entry assessment or case management, and shall have minimal data reporting requirements.

(c) Alternative Agency of Human Services housing solutions. The Agency of Human Services, through its various departments, provides households with other time-limited or permanent housing. Such services include recovery housing, various residential supports for individuals with intellectual or developmental disabilities, home care services for older Vermonters and individuals with physical disabilities, transitional housing for individuals exiting correctional custody, and residential options for individuals with mental health challenges. Emergency housing provided through the Program is not intended to take the place of any other Agency of Human Services time-limited or permanent housing.

#### § 2210. HOUSEHOLD RESPONSIBILITIES

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

(1) is physically present and intends to reside in Vermont as evidenced by active participation in a housing, employment, or other Agency of Human Services-recognized plan;

(2) agrees to a coordinated entry assessment that prioritizes the household for permanent housing, unless explicitly exempt under this chapter;

(3) agrees to engage with a case manager to develop a housing plan, unless explicitly exempt from case management requirements under this chapter or by federal law; and

(4) abides by Program rules and refrains from misconduct.

(b)(1) The Office or a community partner shall provide clear written notice to all applicants regarding penalties for fraud at the time of application.

(2) The Office or a community partner shall not impose a penalty upon a household for a good faith, immaterial error that was corrected upon notice within a reasonable period of time.

(3) A household that knowingly provides false, misleading, or incomplete information regarding residency, disability status, household composition, or other eligibility criteria shall be subject to termination of services within 30 days after receiving written notice from the Department or a community partner.

(4) Pending the outcome of a relevant Human Services Board hearing, the Office may refer cases of suspected fraud to the Office of the Attorney General or a State's Attorney for investigation and prosecution under applicable State law.

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

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

(1) criminal activity; or

(2) misconduct that is not related to a disability or to victimization related to abuse, sexual assault, or stalking.

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

#### § 2211. PRIORITIZATION

(a) The Office, either directly or through community partners, shall prioritize services within the funds appropriated for this purpose to eligible households who are homeless or at risk of becoming homeless and have a member who:

(1) is 65 years of age or older;

(2) has a disability;

(3) is a minor child;

(4) is pregnant;

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

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

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

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

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

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

(2) The presence of an eligible household member’s disability shall be verified by the Office or a community partner during the household’s initial application process and shall be redetermined annually if the household is still receiving services. An eligible household with a member who has a lifelong

disability, such as an intellectual or developmental disability, shall not be required to have the disability redetermined.

(c) The Office and community partners shall comply with the Americans with Disabilities Act, 42 U.S.C. § 12101–12213, and section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, for the purposes of providing reasonable modifications, effective communication, and accessible placements. Program rules and case management requirements shall be reasonably modified, including with the use of plain language, as necessary to avoid discrimination against eligible households with a member who has a disability.

#### § 2212. TIME LIMITS FOR PROGRAM PARTICIPATION

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

(1) Level 1: Any temporary housing that is not provided in the form of temporary rental assistance through the Program’s prevention and diversion services shall not exceed 30 days per rolling 12-month period.

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

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

(4) Level 4: Hotels and motels:

(A) Between April 1 and November 30 of each year, eligible households may receive housing at hotels and motels with supportive services for not more than 70 days per rolling 12-month period as calculated from the date of the eligible household’s application through the same day of the month 12 months later.

(B) Between December 1 and March 31 of each year, eligible households may receive continuous services in cold-weather-use hotels and motels, which shall not be applied toward the time limit established in subdivision (A) of this subdivision (4).

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

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

(2) medical necessity;

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

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

#### § 2213. CASE MANAGEMENT SERVICES

Each eligible household shall be assigned a case manager, except where specifically exempted for certain services, which may be from any Agency of Human Services department or a community partner. Case management services provided pursuant to this chapter shall be informed by the acuity level of the eligible household and include individualized supports that connect an eligible household to public assistance, health care, employment, permanent housing, and other services. A household may request, but is not guaranteed, a specific case manager or change in case manager.

#### § 2214. NEEDS ASSESSMENT

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

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

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

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

(2) the effective date of the action, which in the case of termination, reduction, or suspension of services shall provide timely written notice by email or U.S. mail;

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

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

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

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

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

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

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

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

(1) the household voluntarily waives continued services; or

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

(e) Fair hearings held pursuant to this section shall be conducted in accordance with 3 V.S.A. §§ 3090–3091.

#### § 2216. RULEMAKING

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

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

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

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

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

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

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

(7) a process for issuing advance notice to households when the household is being terminated from the Program;

(8) applicant and household appeal procedures;

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

(10) a process for reinstatement of services after a household's termination from the Program;

(11) expectations for the Office's oversight and quality monitoring, including performance measurements applicable to all community partners and grantees; and

(12) other subjects as deemed necessary.

#### § 2217. REPORTING

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

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

(2) the average length of participation for households within each level of the Program and the rate at which households successfully transition to permanent housing;

(3) the number of households diverted from entering shelters or hotel and motel placements through prevention and diversion services;

(4) the utilization of hotels and motels, including:

(A) the average nightly number of rooms used;

(B) the average and median length of stay;

(C) the extent to which hotel and motel usage has decreased relative to the prior fiscal year; and

(D) the number of eligible households denied a hotel or motel room due to authorized rooms being fully occupied;

(5) housing stability outcomes, including rates of return to homelessness within six and 12 months following exit from the Program;

(6) an assessment of regional capacity and access to services, including identification of geographic areas with unmet needs or disproportionate utilization of emergency housing resources;

(7) total expenditures by Program level and funding source, including State, federal, and other funds, and an analysis of cost efficiency across housing models; and

(8) any operational barriers to implementation of the Program, along with recommendations for administrative or legislative action.

(b) Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including permanent supportive housing, permanent affordable housing, and shelter beds. The Department shall provide data pertaining to the increased shelter capacity and

the extent to which shelter capacity meets the needs of eligible households experiencing homelessness each year.

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

\* \* \* Continuums of Care; Required Merger \* \* \*

#### Sec. 5. MERGER OF CONTINUUMS OF CARE

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

(b) On or before January 15, 2028, the Office shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing efforts to establish a single continuum of care pursuant to this section.

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

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

#### § 2218. GRANT REQUIREMENTS

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

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

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

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

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

\* \* \* Fiscal Year 2027 Time Limits for Use of Hotels and Motels \* \* \*

#### Sec. 6a. FISCAL YEAR 2027 TIME LIMITS; HOTELS AND MOTELS

In fiscal year 2027, an eligible household utilizing General Assistance emergency housing in a hotel or motel during the previous fiscal year shall not be subject to a reset of the 70-day limit established in 33 V.S.A. § 2212(a)(4)(A) until the 12-month anniversary of the eligible household's fiscal year 2026 application.

\* \* \* Transition and Rulemaking; Vermont Homelessness Response Continuum \* \* \*

Sec. 7. TRANSITION TO THE VERMONT HOMELESSNESS RESPONSE CONTINUUM

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

Sec. 8. INTERIM EMERGENCY RULEMAKING; DEADLINE FOR ADOPTION OF PERMANENT RULES

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

(2) Between July 1, 2026, and August 31, 2026, the Commissioner for Children and Families shall administer the Vermont Homelessness Response Continuum by applying the General Assistance Emergency Housing rules approved by the Legislative Committee on Administrative Rules on March 13, 2025, for the administration of this act.

(b)(1) Unless extended by the Legislative Committee on Administrative Rules pursuant to 3 V.S.A. § 843(c), the Department shall, on or before October 1, 2027, adopt permanent rules pursuant to 3 V.S.A. chapter 25 on the Vermont Homelessness Response Continuum as required by 33 V.S.A. § 2216.

(2) Prior to filing the permanent rule with the Secretary of State pursuant to 3 V.S.A. § 838, the Department shall:

(A) work in collaboration with stakeholders to develop the rule, including holding at least five regional stakeholder hearings throughout the State; and

(B) on or before April 1, 2027, submit a draft of the rules to the House Committee on Human Services and the Senate Committee on Health and Welfare for review and consideration of Committee comments.

Sec. 9. IMPLEMENTATION STATUS REPORT; VERMONT  
HOMELESSNESS RESPONSE CONTINUUM

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

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

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

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

\* \* \*

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

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

\* \* \* Vermont Rental Assistance Bridge Program \* \* \*

Sec. 11. VERMONT RENTAL ASSISTANCE BRIDGE PROGRAM

(a) The Vermont Rental Assistance Bridge Program is established within the Vermont State Housing Authority for the purpose of linking households who require rental assistance to permanent housing when the household does not otherwise have access to relevant U.S. Department of Housing and Urban Development rental assistance.

(b)(1) The Agency shall collaborate with the Vermont State Housing Authority to develop a framework for establishing a unified housing voucher program that consolidates the voucher assistance currently provided though the Agency's departments. In developing this framework, the Agency and the Vermont State Housing Authority shall:

(A) analyze the fiscal implications of consolidating existing voucher programs into a unified program, including projected costs, potential efficiencies, and impacts on funding sources;

(B) assess the projected impact on the total number of individuals served and on distinct populations, including:

(i) individuals exiting homelessness;

(ii) individuals facing eviction;

(iii) individuals with mental health challenges;

(iv) individuals with disabilities; and

(v) any other population served by the department-administered voucher programs;

(C) identify administrative, operational, and statutory changes required to implement a unified program; and

(D) propose options and recommendations for the structure, governance, and implementation of the unified program.

(2) The Agency and the Vermont State Housing Authority shall report their findings and recommendations to the House Committee on Human Services and to the Senate Committee on Health and Welfare on or before January 15, 2027.

(c) The Vermont State Housing Authority and relevant departments of the Agency of Human Services shall jointly work to:

(1) incorporate existing rental assistance that is funded by the Agency and its departments and designated for Vermonters exiting homelessness into the Program established in this section; and

(2) establish eligibility criteria, any prioritization that may be necessary for this use of funds appropriated for this Program, and the appropriate length of assistance under this section.

(d) The Program shall not provide the full amount of a household's rental payment and shall not be a permanent voucher. Program priority shall be given to current recipients of the HOME Program, established pursuant to 10 V.S.A. § 321(b)(2), who have not yet reached 24 months of rental assistance. Program payments shall be made directly from the Vermont State Housing Authority to a household's landlord.

(e) The Program shall be accessible to eligible households served by each of the Agency's departments, with priority given to those exiting homelessness and not to the exclusion of other eligible populations.

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

## Sec. 12. PAYMENT RATE STRUCTURE; SHELTER SERVICES

The Department for Children and Families, in collaboration with the Agency of Human Services and relevant community partners, shall propose a payment rate structure, including periodic rate reviews, for all shelter services required by this act. The structure shall include a base rate and potential for supplemental payment to the base if necessary and appropriate.

(1) On or before April 1, 2027, the Department shall submit an interim report to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the implementation of the payment rate structure and the Department's proposed timeline for implementation.

(2) On or before November 1, 2027, the Department shall submit a final report to the Joint Fiscal Committee regarding the implementation of the payment rate structure and the Department's proposed timeline for implementation.

## Sec. 13. FISCAL YEAR 2027 CAPPED ROOM RATES

In fiscal year 2027, the Department for Children and Families or community partners shall pay a hotel or motel establishment providing emergency housing not more than the hotel's lowest advertised room rate and not more than \$80.00 a day per room to shelter a household participating in the Vermont Homelessness Response Continuum. The Department for Children and Families or community partners may shelter a household in more than one hotel or motel room depending on the household's size and composition.

## Sec. 14. EXPENDITURES; VERMONT HOMELESSNESS RESPONSE CONTINUUM

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

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

(2) \$4,400,000.00 for the shelter development, of which \$1,400,000.00 is base funding from the General Fund and \$3,000,000.00 is one-time funding from the General Fund;

(3) \$23,370,000.00 for emergency housing in hotels and motels, of which \$9,251,120.00 is base funding from the General Fund and \$14,118,880.00 is one-time funding from the General Fund;

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

(5) \$4,200,000.00 for permanent supportive housing and family supportive housing, of which \$778,987.00 is base funding from the General Fund and \$3,421,013.00 is from the Global Commitment Fund;

(6) \$3,000,000.00 for rental assistance, of which \$3,000,000.00 is base funding from the General Fund;

(7) \$500,000.00 for grants to municipalities pursuant to 33 V.S.A. § 2209(a), 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;

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

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

(11) \$500,000.00 for the Community Resource Center, of which \$500,000.00 is base funding from the General Fund.

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

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

(d) On or before October 1, 2026; January 1, 2027; and April 1, 2027, the Office shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committee on Appropriations and on Health and Welfare describing how the funds referenced in subsection (a) of this section have been utilized to date, including whether expended funds were one-time or base General Fund, federal funds, or Global Commitment funds.

\* \* \* Removing General Assistance Annual Report \* \* \*

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

§ 2115. ~~GENERAL ASSISTANCE PROGRAM REPORT~~

~~On or before September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House~~

~~Committees on Appropriations, on General, Housing, and Military Affairs, and on Human Services; and the Senate Committees on Appropriations and on Health and Welfare. The report shall contain the following:~~

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

~~(2) any recommendations for changes to the program;~~

~~(3) a plan for continued implementation of the program;~~

~~(4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, client data, shelter and motel usage rates, clients' primary stated cause of homelessness, and average lengths of stay in emergency housing by demographic group and by type of housing; and~~

~~(5) other information the Commissioner deems appropriate. [Repealed.]~~

\* \* \* Effective Dates \* \* \*

#### Sec. 16. EFFECTIVE DATES

(a) This section and Sec. 8 (deadline for adoption of permanent rules; interim emergency rulemaking) shall take effect on passage.

(b) Sec. 6 (grant requirements) shall take effect on October 1, 2028.

(c) All remaining sections shall take effect on July 1, 2026.