



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Wednesday, April 14, 2021

Minutes

Videoconference

Members present: Representatives Ancel, Briglin, Fagan, Hooper, and Kornheiser and Senators Balint, Cummings, Kitchel, Sears, and Westman.

Other attendees: Joint Fiscal Office and Administration staff and various viewers on live stream.

The Chair called the meeting to order at 8:02 a.m. and asked for a motion to adopt the minutes of February 9 and 11, 2021. Senator Westman moved to adopt the minutes, and Senator Kitchel seconded the motion. The Committee approved the motion and adopted both minutes.

B. Grants – 1. [Request for Reallocation of ERA Funds for Housing Stability Services](#) (reference Grant [JFO #3034](#) and [Motion and Distribution Plan](#))

Douglas Farnham, Chief of Operations, Agency of Administration, explained the relationship between the approved \$9 million of Grant JFO #3034 approved February 11, 2021, and the current reallocation request for \$6 million from the Department of Housing and Community Development (DHCD) to the Department for Children and Families (DCF). The reallocation request changes the department administering the grant but does not change the purpose of the allocation of housing stability services or “other housing services.” The change of department is due to the better positioning of DCF to expend the funds in a timely manner. Senator Kitchel asked if there was clarity of “other housing services” since the February Committee meeting. Mr. Farnham responded that additional guidance had been given by the federal government to separate out the administrative service fees and direct assistance for housing stability services. He informed the Committee of a possible future request to apply Coronavirus Relief Funds (CRF) to hotels and motels during the pandemic, but the request was still in the research and development phase.

Sarah Phillips, Director of the Office of Economic Opportunity, Department for Children and Families, explained the services that DCF planned to include with the reallocation funds. The Department had to date received \$4 million in funding requests for services. Representative Kornheiser asked how the Department would encourage community providers to connect with new households not historically managed by them. Ms. Phillips responded that the Vermont State Housing Authority (VSHA) would need to engage its vendor to include an outreach component for a broad-based public campaign, to relay to its network of providers, to inform people of the opportunity for these services.

Senator Kitchel inquired whether the programs from the request in February that included \$110 million for a Rental Housing Stabilization Program (RHSP) and \$12.7 million for utility assistance were operational. Richard Williams, Executive Director, VSHA, responded there was a soft launch of the RHSP recently that received 494 applications that totaled over \$4.3 million. The landlord portal would be ready within the next few days. The challenge for landlords was to encourage their renters to apply to the program for the landlord to receive the rental subsidy. Riley Allen, Deputy Commissioner, Public Service Department, explained that the Department was about a week away from launching its portion of the program. Representative Fagan asked about noncompliant tenants and assistance to landlords. Mr. Williams stated there was \$25 million under the Department of Housing and Community Development for the Vermont Landlords Association directed toward landlords with extenuating tenant circumstances.

Mr. Allen reviewed the utility arrearage component of the reallocation request by first explaining that \$8.8 million of CRF was used for residential and businesses in 2020. The remaining funds within the reallocation request were targeted toward renters that qualify through a means test.

Senator Kitchel moved for approval of the reallocation of \$6 million from the Housing and Stability portion of Grant JFO #3034, within the Department of Housing and Community Development, to the Department for Children and Families. Senator Westman seconded the motion. Sears asked about the repercussions to the State of the possible large influx of tenants with rental arrearages that may become homeless when the housing moratorium ends. Ms. Phillips stated that DCF was preparing to address such a situation. Josh Hanford, Commissioner, Department of Housing and Community Development, stated the importance of tenants reaching out to apply for the federal funds now before consequences occur. Senator Sears expressed concern for the unpreparedness the State may find itself in if there is a mass of court cases on arrearages once the rental housing moratorium ends. Commissioner Hanford suggested that proposed language by the Vermont Landlords Association would allow the courts to reach out to tenants now who were already on the docket and encourage them to pay arrearages or apply for State grants prior to the case being heard when the moratorium was lifted. Mr. Farnham added that additional guidance on the American Rescue Plan Act (ARPA) allowed an investment of up to \$20 million of the \$53 million of housing funds to be used for eviction mitigation on the part of the landlord and/or the tenant.

Representative Kornheiser stated the moratorium was a good public health measure and suggested that something be put in place for when the moratorium was lifted that would make landlords whole from destructive tenants. She inquired if the Administration received guidance whether CRF could be applied toward lot rent or mortgage arrearages. Mr. William offered that mobile home lot rent arrearages qualified under the Vermont Emergency Rental Assistance Program (ERAP) of CRF. Mortgage arrearages may be covered by \$52 million of ARPA funds that had been dedicated to Vermont as well as a utility arrearage component. Qualifications for the program included an 80% median income determination. Mr. Farnham stated that the Administration was awaiting further federal guidance on the ARPA funding. Commissioner Hanford offered that once completed, the Administration would share a spreadsheet of all the dedicated housing funds from the CARES Act (\$850 million) and how they were spent.

Representative Briglin inquired how difficult it would be for the State to meet the 65% threshold by September 2021 of the \$200 million of CRF. Commissioner Hanford stated that it would be important for the Administration to access the \$53 million currently in reserve to assist in meeting the deadline.

Representative Hooper asked if any of the administrative portion of the grant could be used toward people not meeting the income qualification of the utility arrearage program. Mr. Farnham responded that those instances could not be funded directly but possibly indirectly, depending on the State budget. Senator Kitchel showed concern for a possible 2% increase in utility rates due to arrearages of its customers and then asked the Administration to confirm if the ARPA funds could be used for utility arrearage, if the applicant was not qualified under the CRF guidelines. Mr. Farnham confirmed the ARPA funding has a portion of funding for utility arrearage that did not have an income determination.

Senator Kitchel raised her motion to approve the request for reallocation of the \$6 million from Grant JFO #3034. Rep. Fagan called the roll with a 10-0 vote.

2. [JFO #3043](#)—\$4,284,369 from the U.S. Department of Education to the VT Agency of Education for assistance to VT's approved and recognized nonprofit independent schools to address educational disruptions caused by COVID-19. Funds will be managed by the VT Agency of Education.

Jill Briggs Campbell, COVID-19 Federal Emergency Funds Project Manager, and Cassandra Ryan, Director of Regulatory Compliance and Risk Management, Agency of Education, reviewed the grant for the GEER EANS program: Governor's Emergency Education Relief (GEER) Emergency Assistance to Non-public Schools (EANS). The program would provide assistance to independent schools that access federal Elementary and Secondary School Emergency Relief (ESSER) funds. Representative Kornheiser asked how the Agency was planning to hold the independent schools accountable for learning loss that was stated in the grant criteria. Ms. Briggs Campbell responded that independent schools could request reimbursement for allowable COVID-19 costs going back to March 13, 2020 but must sign an agreement that the Agency of Education would hold title to any equipment the schools purchase with the funds. At the end of title, September 2023, the schools would either be required to return any equipment or goods remaining or purchase them at fair market value from the Agency. Another option for use of the funds is for schools to request the Agency to procure staff for a program such as afterschool development or tutoring. Representative Briglin requested a list of approved and recognized independent schools in Vermont for the GEER EANS grant. Ms. Briggs Campbell agreed to send the list and added that there was an additional eligibility requirement that schools were not able to access the grant funding if they applied for Personal Protection Equipment (PPE) funding after December 27, 2020. There was a second GEER EANS grant funding anticipated in the American Rescue Plan Act (ARPA) for those schools that missed the first round. In responding to Representative Briglin's question, Ms. Briggs Campbell explained that procurement of staff for summer programs was an allowable cost if low-income student targets were met.

Representative Fagan moved to accept Grant JFO #3043, and Sen. Cummings seconded the motion. Representative Fagan called the roll with a 9-0-1 vote with Senator Sears absent.

3. [JFO #3045](#)—48 (*forty-eight*) *limited-service positions to carry out the ongoing work for an effective public health response to COVID-19.*

Paul Daley, Financial Director, Department of Health, explained that grant JFO #3045 was a supplemental grant for forty-eight limited-service positions funded through ongoing Centers for Disease Control (CDC) Grants #2254 (Immunization) and #2478 (Epidemiology and Laboratory Capacity) previously approved in 2006 and 2010, respectively. Most of the positions would be assigned to the Department's laboratory and the remaining thirteen to each of the local district offices within the State and would be funded through June 2024. In answering Representative Kornheiser's question, Mr. Daley explained that the positions would assist in demobilizing some of the 350 staff designated from various State agencies, such as the National Guard and the Department of Health, for the COVID-19 emergency.

Dr. Patsy Kelso, State Epidemiologist for Infectious Disease, Department of Health, joined the meeting and explained the status of the State's COVID-19 cases and the workload, including contact tracing, that the Department had undertaken over the course of the pandemic. Sen. Kitchel asked if the Department had concerns of filling all the positions and whether it had a recruitment strategy. Dr. Kelso responded that it has been a concern of the Department's, but it has reached out to the CDC Foundation, which has agreed to assist with recruitment and training of new staff. The Department was considering the hiring of a contractor to assist with advertising for the positions and interviewing applicants.

Representative Fagan moved to accept Grant JFO #3045, and Senator Balint seconded the motion. Representative Fagan called the roll with a 9-0-1 vote.

C. Other Business – 1. Federal Funding Guidance Update

Doug Farnham gave an update on recently released ARPA guidance from the federal government that the Administration would be reviewing.

The Committee adjourned at 9:29 a.m.

Respectfully submitted,

Theresa Utton-Jerman, Senior Staff Associate
Legislative Joint Fiscal Office

Link to recording: <https://www.youtube.com/watch?v=ISI7CTP33MA>