

A Legislative Briefing on H.38 As of April 12, 2026

The Current Moment

On April 1, 2026, Vermont's Adverse Weather Conditions (AWC) provision expired as it does every year, ending winter-season hotel shelter for households protected through March 31. Advocates and nine organizations gathered at the Statehouse calling for an emergency extension, but none came. As shelter providers prepared for the expiration, Good Samaritan Haven opened a new year-round shelter in Montpelier on April 1 — timed to coincide with the loss of motel access — but confirmed it could not accept pets and could not accommodate some complex medical conditions.

Julie Bond, Good Sam's director, told reporters she expects unsheltered numbers to rise through spring. Last summer, Good Sam counted more than 250 unsheltered individuals in the central Vermont region — more than twice the number of local shelter beds.

For people like Fred and Lisa Allard, who packed their car at the Knoll Motel in Barre on March 31 without knowing where they would park to run the oxygen compressor Fred needs to survive, the legislative calendar offered little comfort. This is the context in which H.938 arrives before the Senate Health and Welfare Committee.

What the Data Shows: January Through March 2026

The Act 27 Monthly Housing Reports for January, February, and March 2026 were not posted on the Legislature's public-facing legislative reports page. They were submitted to the Senate Health and Welfare Committee workgroup folder — accessible to committee members but not readily visible to the public. The statutory reporting obligation requires these reports to be produced; it does not specify that they must be buried in committee workgroup documents. The data in this section is drawn directly from those three reports.

GA Emergency Housing Program enrollment — four-month trend:

Report Date	GA Households	Adults	Children	CE Dashboard
December 31, 2025	1,209	1,597	459	4,466
January 31, 2026	1,257	1,676	481	4,523
February 28, 2026	1,273	1,717	480	4,492
March 31, 2026	1,258	1,683	448	4,573

The increase is real and the trajectory is clear: GA enrollment climbed 64 households from December to February — the height of the AWC period — before easing slightly in March as winter ended and some households transitioned. The Coordinated Entry Dashboard reached its

highest recorded figure on March 16 at 4,573 individuals — a figure that is itself still an undercount, excluding domestic violence survivors and those without any system contact. To put the CE figure in context: 4,573 people were active in Vermont's homelessness response system on a single day in March, against 695 emergency shelter beds statewide and 1,258 GA hotel rooms. The gap between need and capacity visible in these numbers is what H.938 is designed to address.

Eligibility breakdown — who was in the GA program as of March 23, 2026:

Category	Count
Disabled — SSI/SSDI	431
Families with Children	309
Disabled — medically documented (201G-VR)	331
Age 65+	124
Court-Ordered/Constructive Eviction	34
Domestic Violence	19
Other (suppressed)	~10
Total	1,258

This is the population that H.938's prioritization criteria are written to protect: elderly, disabled, families with children, domestic violence survivors, people facing unjust eviction. It is also the population that lost hotel access on April 1.

Hotel authorization costs — SFY2026 through February:

The March report's budget comparison reveals something important that has not been publicly discussed:

Month	Budgeted	Actual	Variance
July 2025	\$2,540,467	\$1,578,397	+\$962,069 saved
August 2025	\$2,540,467	\$1,598,877	+\$941,589 saved
September 2025	\$2,236,291	\$1,657,636	+\$578,655 saved
October 2025	\$1,966,386	\$1,824,401	+\$141,984 saved
November 2025	\$1,902,954	\$1,945,516	(\$42,562 over)
December 2025	\$3,307,838	\$2,818,016	+\$489,822 saved
January 2026	\$3,561,480	\$2,994,077	+\$567,403 saved
February 2026	\$3,197,880	\$2,736,155	+\$461,725 saved
Total through Feb.	\$23,253,763	\$17,153,075	+\$4,100,213 saved

Through eight months, Vermont has spent \$17.1 million on hotel rooms against a full-year budget of \$32.6 million — running well under budget in all months except November. The program, even in winter, cost less than budgeted. This data directly contradicts the narrative that the GA hotel program is a runaway spending problem. The question the Senate should be asking is not whether the program costs too much, but whether the people it serves have anywhere else to go.

Emergency shelter capacity — growth through winter:

Shelter capacity grew incrementally across the same period:

- January 31: 680 beds statewide
- February 28: 685 beds
- March 31: 695 beds (including new Burlington recovery shelter; Good Sam Montpelier shelter opened April 1, adding 18 beds for a total of ~713)

New capacity in SFY2027 from projects currently under construction (Groundworks, Upper Valley Haven, NEKCA, BROCC/Cornerstone, Charter House Coalition) is projected at 80–100 additional households. That is significant — but it arrives next fiscal year, and it will still leave thousands of people without stable options.

Vermont Interfaith Action's role in the data:

The Extreme Cold Weather Shelter Program was activated on 34 nights through March 31, 2026, with a statewide capacity of 167 beds. Vermont Interfaith Action is cited in all three monthly reports as the administrator of outreach, coordination, training, and technical assistance for the ECWSP. This is material to the DCF funding objection, addressed below.

What H.938 Proposes

H.938 establishes the Vermont Homelessness Response Continuum in statute — replacing the current GA Emergency Housing Program's administrative-policy structure with enforceable law, administered by the Office of Economic Opportunity within DCF. It is organized around five levels of service.

- **Level 1 — Prevention and Diversion** is the designated entry point for all households. Every person who asks for help must receive a standardized initial assessment. Funds at this level have maximum flexibility. This is the cheapest and most effective intervention; the bill prioritizes it accordingly.
- **Level 2 — Shelter** splits into two tracks. Level 2A (highly structured shelter) is the preferred first placement when diversion fails: programming includes case management, employment, education, and treatment services. Level 2B (low-barrier shelter) has fewer requirements, is time-limited, and serves as a bridge toward 2A or permanent housing. Both require minimum two-year contracts with community partners — a stability provision for providers that is currently absent from the system.
- **Level 3 — Specialized Shelter** adds clinical services to the highly structured model: substance use disorder treatment, mental health services, medical care. This addresses a real gap. People with complex needs often cycle out of general shelters because those shelters cannot meet them.
- **Level 4 — Permanent Supportive Housing** is long-term, community-based rental assistance with wraparound services. It can last as long as the household's plan requires. Where eligible, it may use Medicaid funding, potentially unlocking federal match. This is the system's exit ramp.
- **Level 5 — Hotels and Motels** is explicitly the last resort — used only when Levels 1 through 4 cannot meet a household's needs. Caps: 700 rooms per night from April 1 through November 30; 1,000 rooms per night from December 1 through March 31. Households are limited to 70 days per rolling 12-month period during the warm season; winter months do not count toward that cap. Room rates must be set by the Legislature.

Placements must be in blocks, not night-by-night. Case management must be integrated into all hotel placements.

Other significant provisions:

- The bill creates a **municipal emergency shelter grant program** for communities with high volumes of unsheltered homelessness.
- It codifies the **Extreme Cold Weather Shelter Program**.
- It establishes a new **VSHA rental assistance bridge program** for households waiting on Section 8 vouchers — a critical tool given that federal Section 8 voucher issuance has effectively stalled.
- It directs the **merger of Vermont's two HUD-recognized CoCs** into a single statewide entity, which streamlines federal reporting and may strengthen competitive positioning for HUD funding.
- And it requires each level of the continuum to appear as a **separate line item in DCF's budget**, creating legislative visibility over how funds are distributed.

Eligibility and prioritization:

Households must demonstrate physical presence in Vermont and active participation in a housing or employment plan; submit to coordinated entry assessment; engage with case management; and abide by program rules. Termination for documented fraud is allowed within 30 days. Termination for misconduct is allowed but narrowly defined — explicitly excluding behavior related to disability or victimization.

Priority for services goes to households with a member who is elderly, disabled, a minor child, pregnant, experiencing domestic violence or trafficking, or subject to a court-ordered eviction. These categories describe the entire current GA population.

The Human Services Board appeals provision:

H.938 includes a mechanism allowing a pattern of twenty identical HSB decisions to establish binding precedent that DCF and its partners must follow. This provision exists because the department has repeatedly continued making eligibility denials that the HSB has ruled against. End Homelessness Vermont specifically documented DCF's attempt to count Executive Order housing days against the 80-day cap — a position the HSB ruled unlawful, after which DCF initially attempted to continue the practice. The appeals provision is the bill's most important accountability mechanism.

Total appropriation: \$82,634,153 for FY2027.

The State's Response: DCF's April 9 Senate Testimony

Commissioner Sandi Hoffman presented DCF's position to the Senate Health and Welfare Committee on April 9. The presentation opened with three slides of claimed "broad alignment" — the bill generally stays within the Governor's Recommended Budget dollar amount and attempts to address diverse needs. DCF explicitly supported the expansion of specialized shelters.

DCF then identified four areas it considers "unworkable as written." The presentation notes it is "not inclusive of all feedback" — meaning the administration's objections extend beyond the four listed.

- **Objection 1: Administrative home.** DCF wants the hotel program returned to the Economic Services Division, with 21 ESD positions reinstated. H.938 moves it to the Office of Economic Opportunity. ESD is a benefits eligibility office. OEO is a community development and service-coordination office. The Legislature chose OEO deliberately to signal that the new continuum is a service system, not a transaction. Returning administration to ESD reinstalls the institutional culture that has generated years of eligibility disputes, legal battles, and HSB rulings — including the one DCF lost over day counting.
- **Objection 2: Funding allocation.** DCF says H.938 reduces shelter development, specialized shelters, and operations compared to the Governor's Recommended Budget.

Two items are specifically cited:

- The Extreme Cold Weather Shelter Program was moved from base funding to one-time funding. Vermont Interfaith Action administers this program. Providers cannot maintain stable operations — including staffing, training, and outreach — on year-to-year allocations. The ECWSP was activated 34 nights this winter, serving hundreds of Vermonters at the coldest margins. Moving it to one-time funding is a legitimate problem and the Senate should restore base funding for this line.
- Permanent Supportive Housing was reduced by \$82,500. PSH is the exit from the continuum. Cutting it at the margins is directionally wrong, even if the dollar amount is small.
- **Objection 3: Eligibility and prioritization.** DCF wants prioritization limited to the hotel program only, with DCF developing separate eligibility criteria for other levels administratively. H.938 applies its statutory prioritization criteria — elderly, disabled, children, DV survivors — across all levels of the continuum. The Legislature wrote these criteria into statute specifically to prevent DCF from narrowing access by administrative rule. The March data shows that the entire current GA population fits within those priority categories. Accepting this objection would return eligibility discretion for shelter services — not just hotel placements — to the executive branch.
- **Objection 4: Human Services Board appeals.** DCF calls the precedent provision "extreme overreach" and asks that it be struck entirely. The department's stated objection — that being bound by twenty identical adverse rulings is unworkable — is an argument for executive immunity from documented patterns of unlawful denials. This provision should be maintained.

What DCF did not address in this presentation: There is no mention of the 700-room summer cap, the 1,000-room winter cap, the 70-day time limit, or the CoC merger. These are the provisions most central to the bill's structural design and most likely to define the veto question. Their absence from the testimony is not an endorsement.

The Veto Question

Governor Scott has indicated he would veto H.938 in its current form. His documented pattern is consistent: he vetoed H.91 in June 2025 on the grounds that it did not reduce the hotel program's size or cost quickly enough; he threatened to veto the Budget Adjustment Act in 2025 because it continued hotel funding; he has opposed the GA Emergency Housing program's scale for years. H.938 does not eliminate the hotel program. It caps, regulates, and subordinates it. Whether those caps satisfy Scott is unclear from the public record. **What is clear from the monthly data is that the program has already been running well under budget — which removes the fiscal emergency argument from the veto calculus.**

The Vermont Legislature does not currently have a Democratic supermajority sufficient to override a veto. The Senate's task is to determine whether there is a version of H.938 that the Governor will sign — and whether the modifications required to secure that signature would strip the bill of the provisions that give it protective force.

The four DCF objections provide the negotiating road map. One of them (ECWSP base funding) is legitimate and should be addressed. The other three, if accepted, would return accountability, eligibility discretion, and administrative control to an executive branch with a documented pattern of narrowing access and resisting adverse rulings.

Key Issues for Senate Action

- **Restore ECWSP to base funding.** Vermont Interfaith Action cannot administer a statewide shelter network on one-time appropriations. The program was activated 34 nights this winter. It is life-sustaining. It should be funded accordingly.
- **Maintain the HSB appeals provision.** DCF's objection is an argument for the right to keep losing and keep doing it anyway. The provision is narrowly calibrated — twenty identical decisions — and it is the bill's primary enforcement mechanism.
- **Maintain statutory eligibility criteria across all levels.** The moment eligibility for shelter services is returned to administrative discretion for any level other than hotels, the history of this program suggests it will be narrowed for the people who need it most.
- **Scrutinize the administrative home argument.** The Senate should probe whether OEO has the capacity and staffing to absorb hotel program administration — not simply accept DCF's preference to keep it in ESD.
- **Enter the monthly reports into the public record.** The January, February, and March 2026 Act 27 reports were submitted to the Senate Health and Welfare workgroup rather than posted on the Legislature's public reports page. The Senate should enter them into the formal record and ask DCF to explain why they were not publicly posted during the period when the Senate was taking testimony on H.938.
- **The budget data deserves scrutiny on both sides.** The monthly reports show the GA hotel program running \$4.1 million under budget through February. The argument that the program is fiscally uncontrollable is not supported by the state's

own numbers.

- **Consider H.938 and H.772 together.** Both bills are before the Senate simultaneously. H.772's projected addition of 150 to 300 people annually into homelessness would arrive directly into the system H.938 is trying to build. The March data already shows 4,573 people active in Vermont's homelessness response system against 695 shelter beds. Accelerating evictions into that environment, without the infrastructure H.938 would create, is not a housing policy — it is an abandonment of the people who need housing most.

Data Summary: GA Program at a Glance

December 2025 – March 2026 (source: DCF Act 27 Monthly Housing Reports)

- GA households in program: peaked at 1,273 (February); 1,258 as of March 23
- Individuals in Coordinated Entry: peaked at 4,573 (March 16)
- Emergency shelter beds statewide: grew from 680 (January) to 695 (March); approximately 713 after April 1
- Hotel costs through February: \$17.15M actual vs. \$23.25M budgeted — running \$4.1M under budget
- ECWSP activations: 34 nights through March 31; administered by Vermont Interfaith Action
- AWC expired: April 1, 2026 — no extension issued

Sources

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