

# 2024 Vermont Legislative Report

Norwich\*Sharon\*Strafford\*Thetford  
Windsor-Orange 2



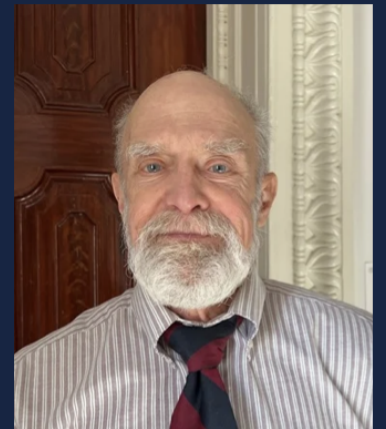
Rep. Rebecca Holcombe  
rholcombe@leg.state.vt.us  
House Appropriations Committee

Thank you to everyone who reached out over the 2024 legislative session to share your ideas and concerns. We are grateful for the hard work of our local select boards and school boards. They provided invaluable feedback through the session.

With the end of pandemic-era surpluses, the legislature felt the limits of Vermont's underlying ability to pay. Given that reality, we worked to make progress on the issues you told us matter most, from housing and the environment to public safety and health care.

We made it easier to build affordable housing in downtowns while protecting our flood zones and green areas, and we made genuine progress on our transition to local, green and renewable energy. This transition will leave us more resilient and prosperous in the future.

Next year, we will continue to tackle the drivers of unaffordability. If you have questions or suggestions, please do not hesitate to reach out.



Rep. Jim Masland  
jmasland@leg.state.vt.us  
House Ways and Means Committee

**Note:** This year, the legislature increased the size of the property tax credit provided in the income sensitivity program by 13%. **This reduces tax bills for the majority of homeowners.** Check here to see if you are eligible: <https://tax.vermont.gov/property/property-tax-credit>

## A Balanced Budget

On May 11 the House and Senate approved a balanced \$8.57 billion budget that invests in the priorities we heard about over and over: housing, resilience, health care, public safety, and flood and disaster relief for hard-hit communities across the state. Our goal is to make sure Vermont is a place where everyone can live, take care of themselves, and feel safe.

As we began the budget cycle, we expected General Fund revenues to be \$17.9M below fiscal year 2024 revenues. We built the budget in a way that steps up to solve problems, rather using short term surpluses to defer problems. This is a responsible approach to good governance — one that carefully weighs costs and benefits, makes tough choices, and then delivers sufficient dollars to meet the needs of today while moving us toward a stronger future. Key investments in this year's budget include:

### Housing

Vermont's housing crisis is mirrored across the country, as states from California to Maine struggle with a wide swath of housing-related challenges. From March 2020 through June 2023, Vermont has invested over \$1 billion — mostly federal stimulus funding — into expanding our affordable housing supply and providing emergency housing assistance and support. We're making progress, but the work is challenging and costly. Because Vermont can no longer count on generous federal funding, we dug deep this year to provide help to communities still reeling from the 2023 floods and continue our commitment to increasing Vermont's affordable housing stock. FY25 housing investments are reflected in two bills: the FY25 Budget (H.883) and H.687 (a housing and conservation bill). Together, these bills committed:

- \$58M to expand and support emergency shelter and services for unhoused Vermonters (plus \$30M in contingency funding in the likely event of FY24 surplus revenues)
- \$19.2M to develop permanently affordable housing
- \$8M to renovate existing structures to create new rental units
- \$1M to support grants for first generation homeowners
- Almost \$4 million to prevent evictions when families lose income
- \$1M to support manufactured housing updates or repairs
- \$3M for recovery housing, transitional housing for refugees, and community stabilization beds.

The FY25 budget also appropriates an additional \$55M to creating more affordable housing in the event that unobligated ARPA funding can be redirected for those purposes.

### Access to Justice

One of the biggest challenges our court system currently faces is a backlog of cases predating the COVID pandemic. Justice delayed is justice denied. During the pandemic, fewer cases were filed but those that were filed were not being processed. After the courts fully reopened, a surge in filings left the courts falling further behind. In 2023, the courts experienced a number of judicial vacancies, which have only recently been filled. Working to address this backlog is critical to supporting public safety.

The Judiciary Committee and the Appropriations Committee worked to ensure that the budget included the resources necessary to enable cases to be heard in a timely fashion. An additional \$8M is appropriated in the FY25 budget for the needed positions and required work. The Judiciary, State Attorneys, Defender General, Attorney General (Court Diversion), DOC (Community Justice Centers), and the Center for Crime Victims Services are receiving additional resources. These investments will help ensure individuals can be held accountable for their actions as soon as possible after offending — a key to ensuring public safety.

### Funding Education via the Yield Bill

Every year, school districts across the state vote on local school budgets. At the end of the session, the legislature has to set the average statewide property tax rate needed to raise the funds to pay for all those budgets. This year, those budgets reflect large increases driven by mental health needs (\$50 million), rising healthcare costs (about \$45 million), infrastructure costs (about \$50 million, includes some mitigation of PCBs). Because last year's yield bill used about \$50 million to buy down the tax rate on last year's budgets, we had to make up that gap this year. These factors alone drove a jump of almost 20% in the average expected education tax rate.

Over the course of the session, school districts and the legislature reduced that increase to about 13.5% on average, though rates vary by town. In response to calls for cost containment, the legislation sets an excess-spending threshold for 2026 that intends to hold spending down for higher-spending districts as a way to reduce disparities with the lower-spending districts. Unfortunately, this will hit Thetford harder than any other district in the state. Overall, the changes to the funding formula in 2022 are driving higher rates in all four towns, but in Norwich and Thetford in particular.

To prevent us from being in the same situation year after year, this year's bill sets up a commission and a review of our funding formula to address structural drivers of higher cost. It also changes the way the current level of appraisal (CLA) is calculated to reduce the more dramatic swings caused by the current CLA calculation. The commission will consider possible consolidation of school buildings and districts, the delivery of special education services, the delivery of mental and emotional health services, and the public tuitioning system.

Outside of the yield bill, the legislature passed several bills that will impact the education system and its affordability. To help offset increases in property taxes that may be passed on to renters, the legislature increased the Renter Tax Credit in the Miscellaneous Tax Bill (H.546). We passed

Boards of Cooperative Education Services, or BOCES (H.630, sponsored by Rep. Holcombe), which provides a framework for schools to engage in group purchasing of supplies and services, from professional development and technology to specialized settings for students with extraordinary disabilities. The legislature furthered its work on school construction with H.871, which advances planning for school construction projects that replace our aging school infrastructure with an emphasis on “newer and fewer” schools.

### **Public Health and Health Care**

With double-digit increases in health care rates every year, high healthcare costs are squeezing every budget—from your family budget to school budgets and to our state budget. To make Vermont affordable, the legislature is working to address drivers of higher health care costs. Across Vermont, mental health needs have increased. In response, the Legislature’s budget provides a 3% increase in rates to the State’s designated mental health agencies. To address high prescription drug costs, we gave the Green Mountain Care Board resources to tackle and regulate prescription drug prices (S.98) and we strengthened oversight of pharmacy benefit managers (H.233). Further we provided critical resources to local Emergency Medical Service providers (H.622) and ensured reimbursement parity to telemedicine. That will help seniors check in without needing to drive (H.861). We also expanded eligibility for Medicare Savings Programs and invested in addressing our opiate epidemic. Other significant appropriations include \$4.1M from the Opioid Abatement Fund for substance use prevention and treatment. The FY25 budget also directs \$1.2M from that fund to support recovery residences. We will continue to support health care affordability in the next biennium, so that Vermont is a place all people can live safely and take care of themselves.

### **Protecting Pollinators**

Neonicotinoids are insecticides introduced in the 1990s that have proven to be extremely harmful to honey bees and other pollinators. The House and Senate passed H.706, which phases out the use of this class of insecticides. Neonicotinoids are primarily used as a coating on corn and soy seeds that grow into food for Vermont’s dairy cows. Farmers pay a premium for coated seeds, but hundreds of studies have shown that treating the seeds with the pesticide has little effect on seedling viability and provides no economic benefit. The bill would ban the use of seeds treated with “neonics” beginning in 2029, the same year that New York State is prohibiting their use. In the event that a farmer can’t obtain an alternative seed, they will be able to apply for an exemption. In the meantime, spray application of these pesticides on vegetables and ornamental plants would be sharply reduced beginning in 2025. Restricted use is still permitted after bloom in apple orchards (where no equally effective alternative exists).

### **Enhancing Financial Flexibility in Residential Developments**

H.666 creates more flexibility in residential building project financing through changes to how escrow deposits can be used for those projects. This bill makes it possible for a developer to use deposits put on a residential unit by the future owner in the actual building projects, instead of staying in an individual escrow account. This change allows construction firms to use deposits for building projects as long as they are backed 100% by surety bonds. For example, if a developer wants to withdraw \$50K in deposits for construction costs, the developer would be required to get a \$50K surety bond. The goal is to maintain protections for the future residents while granting developers increased financial flexibility. This will most likely benefit large residential construction projects.

### **Balancing Development and Conservation**

Since 1970, our statewide land use law, Act 250, has preserved Vermont's rural character, supporting compact development in downtowns and village centers while protecting forests and open lands. With limited housing supply and increasing threats from climate change, H.687 sets out strategies to make it easier and faster to build housing in the right places, including designated downtowns, while protect natural resources and preventing development in flood zones.

The bill incorporates broad areas of agreement between environmentalists, developers, regional planners, and others on changes to Act 250, including a switch to a new location-based permitting process and improved board governance. It proposes three "tiers" covering downtowns and village centers (tiers 1a and 1b), rural areas (tier 2), and critical natural resource areas (tier 3). Projects in tier 1 that meet certain criteria would be exempt from Act 250 review. Towns will work with their regional planning commissions on a future land use map to identify areas for growth and conservation. The bill simplifies the process for designating town and village centers through the Vermont Department of Housing and Community Development and makes it easier for rural areas to access benefits like tax credits and support. Housing provisions were added to the bill (described elsewhere in this report) including several housing exemptions to enable denser housing in the near term.

### **Investing in Flood Safety**

As Vermonters face increased flooding due to climate change, investing in prevention, planning, and infrastructure is more important than ever. Since rivers meander and don't respect town borders, reducing costly flood damage around the state calls for holistic statewide regulations to guide safer development. The Flood Safety Act (S.213) builds on existing programs to bring more state resources to towns for managing development in river corridors and floodplains. Since naturally spongy areas (wetlands) provide effective, low-cost flood prevention, the Act also expands wetlands protections in the state. Vermont has over a thousand dams with only a few built to control flooding. If dams are not well-maintained, they can create dangerous conditions downstream. To improve safety, the Flood Safety Act funds more state engineering staff to inspect dams, updates the Unsafe Dam Revolving Loan Fund to finance more dam removal and repair, and brings dam oversight under one agency, the Department of Environmental Conservation. The act also bans a type of foam (unencapsulated expanded polystyrene foam) used in floating products like buoys and docks because it breaks down into small beads that pollute shorelands and wetlands.

### **Renewable Energy Standard**

Vermont’s Renewable Energy Standard, an energy policy passed in 2015, put Vermont’s electric utilities on the path to cleaner electricity from renewable sources like hydro, solar, and wind. Since then, the state has committed to transitioning away from fossil fuels, joining the global call to action to reduce carbon emissions and protect our future. Now, with historic funding available for clean energy, Vermont is set to make major progress over the next decade. H.289 reflects a remarkable collaboration among electric utilities, environmental groups and legislators to bring more renewable energy into our grid faster. The updated Renewable Energy Standard raises electric utility requirements for renewable energy to 100% by 2030 for most utilities with a longer timeframe (2035) for smaller utilities. The bill doubles the amount of new renewable energy built in the state, creating good-paying clean energy jobs and better protection from rising fossil energy prices. To ensure all Vermonters have access to the benefits of renewable energy, the act includes a study on current and needed programs for affordable housing developments and customers with lower incomes.

### **Reducing the Burden on Primary Care Providers**

Vermont does not have enough healthcare providers, and those dedicated professionals spend about 25% of their working time dealing with insurance companies that too often second-guess their medical expertise. H.766 reduces the red-tape burden on our providers, allowing them to spend more time treating patients. That translates to shorter wait times and better health outcomes for Vermonters. H.766 will eliminate the time-consuming practice known as “prior authorization” for all of our primary care providers: these are the physicians, physician assistants, and nurse practitioners that we meet at local offices, clinics, and community health centers. Primary care provides the most preventative and least costly form of care in our healthcare system.

When your primary care provider decides that you need a test or referral, you’ll no longer need to wait for your health insurer to take a second look at their decisions. Not only will you get the treatment that you need more quickly, H.766 will allow your clinician to spend more time with patients, and less time on the phone with insurers or filling out paperwork.

While Blue Cross Blue Shield estimates H.766 would increase individual premium rates in 2025 by 1.8% and 1.9% for small group plans, these estimates do not include the significant cost savings to Vermont’s entire healthcare system. H.766 will reduce costly delayed care that often

accompanies a denied prior authorization, will reduce the need for imaging to be done at the more expensive hospital setting and will allow providers to redirect their staff to more patient-focused care, leading to more access and better healthcare for Vermonters.

### **Medicare Savings Program: Keeping More Money in the Pockets of Older Vermonters**

Many low-income aging Vermonters face a benefits cliff when they reach the age of 65. In transitioning from Medicaid to Medicare, these folks see a sudden jump in costs due to premiums and copays for services and prescription drugs. When our state budget becomes law, nearly 10,000 eligible Vermonters can expect to keep \$2,096 in their pockets per person, or \$4,192 for married couples, per year, beginning on January 1, 2026. These Vermonters will see an increase in their Social Security checks of almost \$175 per month.

Increasing eligibility for the Medicare Savings Program (MSP) allows this benefit to reach older Vermonters with incomes up to \$29,367 or \$39,858 for married couples. With an investment of \$4.7 million state dollars, this proposal will also draw down significant federal support, resulting in nearly \$50 million of benefits for Vermonters and the providers who care for them.

This will spare some of our most vulnerable neighbors the great economic hardships that often accompany aging and retirement, while providing our hospitals and providers with patients that can now afford to seek treatment. This bill will result in allowing close to 10,000 low-income Vermonters to focus on the care they need when they are sick, rather than on the financial stress of out-of-pocket costs. It will also allow an estimated 3,800 Vermonters access to a valuable prescription drug benefit for the first time at no cost to the state.

### **Pathway into Treatment for People who are Struggling with Addiction**

H.72 focuses on establishing an overdose prevention center (OPC) in Vermont to address the growing opioid crisis. As opioid-related fatalities continue to rise alarmingly, the creation of these centers becomes imperative. Modeled after successful initiatives elsewhere and funded with the Opioid Abatement Settlement Fund, the OPC adopts a harm-reduction approach, aiming to prevent overdose deaths and mitigate public drug-related risks. The primary functions of the OPC pilot include the provision of harm reduction supplies, emergency medical care, facilitation of access to addiction treatment and vital services, and dissemination of overdose prevention education. Individuals utilizing these services, staff members, and property owners associated with the center are granted immunity from legal liability. The Act directs the Department of Health to develop operational guidelines and approve an entity to manage the center, ensuring adherence to regulations and regular reporting on center activities. Furthermore, the legislation earmarks funding for a comprehensive study to assess the impact on overdose rates, community safety, and public health.

### **Regulating Forever Chemicals (PFAS)**

In 2021, the Vermont legislature passed Act 36, a step in restricting perfluoroalkyl and polyfluoroalkyl substances and other chemicals of concern in consumer products. These substances, commonly known as PFAS, are used for waterproofing and in manufacturing consumer products, and their resistance to breakdown makes them forever chemicals. Studies have linked PFAS to adverse health effects on the liver, endocrine system, and immune system. They also pose risks to developing embryos or fetuses and increase the likelihood of cancer, underscoring the urgent need for action. S.25 addresses some of the gaps in protecting Vermonters from harmful chemicals. It focuses on products we encounter almost daily, and by targeting cosmetics, personal care products, menstrual products, textiles, clothing, apparel, artificial turf, cookware, and products marketed to kids, we are prioritizing the health and safety of Vermonters. This bill takes a measured approach, addressing a limited number of products, many of which were in line with the industry. It aligns with other states to assist the industry in eliminating confusing, conflicting regulations in multiple states.

### **Boosting Vermont's Skilled Workforce**

Vermont continues to experience a significant workforce shortage, especially when it comes to skilled workers. In recent years, the legislature has taken steps to upskill our current workforce and encourage skilled workers from other states to work and live in Vermont. We have significant ongoing needs in the areas of healthcare, construction and education. In response, the legislature recently created and funded a nurse preceptor grant program and several initiatives aimed at our teacher workforce. Workforce development remains a priority, and this year House Commerce and Economic Development crafted its latest workforce development bill, H.707. This bill creates a new system to improve statewide workforce training. The newly established Office of Workforce Strategy and Development will be led by an executive director who serves on the Governor's cabinet. This office will provide oversight to all workforce programs across state government.

H.707 also extends the work of the Special Oversight Committee on Workforce Expansion and Development created last year. In addition, the FY25 state budget invests in a number of key workforce development programs:

- Provides funding for the Vermont Student Assistance Corporation (VSAC) 802 Opportunity program that provides free tuition to qualifying Vermonters at the Community College of Vermont (CCV)
- Provides \$1.3M to VSAC for the National Guard Tuition Benefit Program
- Provides up to \$1M to continue the Vermont Trades Scholarship Program
- Authorizes the continuation of education loan repayment programs for health care professionals

### **Transportation Investments for Community Infrastructure and Connections**

In addition to filling of potholes and plowing our highways, our transportation legislation helps reduce our carbon emissions, builds resiliency into our infrastructure, and provides essential lower-cost transportation options. This year's transportation bill includes policies that increase local road funding, expand public transportation options, support carbon reduction programs, and continue investment in Amtrak and rail. Highlights include:

- Increased town highway-aid funding and changes to the funding formula to keep up with inflation.
- Increased town-structure funding so local towns can increase resiliency of bridges and stormwater systems.
- Requirements for greater community engagement as the Agency of Transportation updates state road standards with an emphasis on Complete Streets principals.
- Funding to support local town governments, non-profits, and businesses to electrify their transportation fleets.
- Increased funding for public transportation for both fixed-route busing and critical rural Medicaid and disability transportation support.
- Funds MTI Grants which provide nonprofit mobility services scaled for Vermont communities.
- Funds the Downtown Transportation Fund and the Better Connections Program.
- These programs help communities plan and develop infrastructure to align transportation with today's smart growth policies.

Paid for by Representative Rebecca Holcombe and Representative Jim Masland  
Orange Windsor-2  
Norwich-Sharon-Strafford-Thetford