

2026 Town Meeting Report

Rep. Morrow

District: Andover, Londonderry, Weston, Winhall



Greetings!

It's been a busy couple of months in Montpelier, although the jury is still out on how much we can get across the finish line. "Crossover" is next week – meaning the House has to finish bills to get over to the Senate and vice versa. Obviously, the big focus is on continuing the education and funding reform we started last session. This is all still up in the air. Stay tuned. Health Care is also a priority. See below for reports written by the Committees. As a reminder, House Legislative Committees are where the hands-on work of lawmaking happens. When a bill is introduced, it's sent to a committee to dig into the details. From there, the committee works to shape practical, balanced legislation— whether by creating a new law or improving an existing one—before moving it forward to the full legislative body for consideration.

~ Rep Chris Morrow – morrowforty@gmail.com

Education

The House Education Committee has listened to critical testimony from Vermont Superintendents, Vermont Principals, and many other education stakeholders as the committee works to move forward on [Act 73](#). And as they move forward, they are also considering the important work of the Commission on the Future of Public Education, and the hours of public input given to the Redistricting Task Force.

In addition to considering new school district boundaries, the committee is also considering the use of cooperative shared service areas as a means of cost savings for districts that simply don't have enough scale to offer key services.

Several factors up for debate include whether the new district map will include a combination of Supervisory Unions and School Districts, or be all one or the other. Each model has its own merits and drawbacks, which the committee continues to debate. However, the goals of Act 73 are clear: fewer districts, minimum class sizes, and a streamlined educational system that benefits our students and bends the cost curve to slow down the rise in property taxes we all pay. Vermont has seen a significant decline in enrollment in grades K-12 over the last several decades while spending continues to rise. The committee's challenge, therefore, is significant.

General and Housing

This committee requested that the State Treasurer's [10% in Vermont](#) fund invest additional dollars to build more housing, and that the Budget Adjustment Act dedicate additional funds to thwart the downward spiral in Housing and Urban Development housing vouchers. We are also at work on two bills addressing manufactured housing, housing affordability, and landlord-tenant relationships.

[H.757](#), an act specifically relating to manufactured-home housing and limited equity cooperatives, proposes to

address inconsistencies and misconceptions regarding manufactured homes (formerly known as "mobile homes") and resident-owned manufactured home cooperatives. The bill recognizes these homes as permanent structures affixed to the land, rather than movable personal property, allowing financial institutions to treat these homes as real property, thus reducing perceived lending risk and improving access to financing. The bill improves affordability and financing by eliminating the sales tax at the time of purchase, and establishes a consistent process for issuing a Quitclaim Deed, enabling the home to be treated as real estate. These changes make manufactured homes more attractive to lenders, lower borrowing costs for buyers, and allow for more reasonable interest rates and loan terms.

[H.772](#) works to equitably balance landlord and tenant rights relating to residential agreements and eviction procedures, and creates a pilot program for positive rental-payment credit reporting. This bill makes substantive amendments to residential rental agreements by creating an ejection process for good-cause evictions; shortening the eviction process when it is the only course of action; making certain ejection records confidential; enacting a pilot program for positive rental-payment credit reporting through the Office of the State Treasurer; and authorizing technical assistance for landlord-tenant conflicts through the Champlain Valley Office of Economic Opportunity.

Health Care

The Health Care Committee continues its work to find ways to reduce the cost of health care in Vermont while maximizing access to quality health care. The system saw a \$230,000,000 reduction in costs to the system, mostly due to a reduction in what hospitals can charge for drugs given in an out-patient setting. This was implemented in FY26 and was a great beginning that helped to keep the increase in education health insurance to single digits.

Several bills have passed out of committee unanimously:

- [H.577](#) would launch a card, Array RX, that enables Vermonters to pay about 20% of the cost of generic prescription drugs and 80% of trade drugs through a multi-state nonprofit consortium. The State Treasurer estimates that the card should save Vermonters millions. It is available to those with and without health insurance, and would count towards the deductible on health insurance plans.
- [H.270](#) is a bill that provides for confidential peer support for first responders. This was requested by the first responder community to make sure that a trained peer support specialist was available for consultation, and that it be confidential. This was described as an essential way to avoid PTSD and risk of suicide.
- [H.34](#) created a change in existing statute by adding language that allows telehealth appointments to be recorded if both the patient and the doctor/clinician agree. The committee heard testimony that this would enhance the telehealth session for both patient and provider.
- [H.558](#) changes the receipt of Federal reimbursement for school-based services under Medicaid from being administered by both the Agency of Education and the Agency for Human Services (AHS). Because AHS has the expertise to maximize benefits to Vermont students and schools, this bill makes AHS the sole administrator of these services.

We heard testimony on the \$195 million Federal Rural Health Transformation Funding grant. The Committee has a strong focus on enhancing access to primary care for Vermonters. There are strict limits on what the funds can be used for, and the allowable use is being implemented by the Agency of Human Services. We plan to take testimony on the subject of universal access to primary health care, and to make a robust inquiry regarding best approaches to accessible, affordable access to primary health care.

The committee continues taking testimony on cost drivers and potential cost savings in health care, including the implementation of referenced-based pricing. We are working to save money for Vermont seniors who are on Medicare and who utilize out-patient services related to critical access hospitals. There is active collaboration among Blue Cross and Blue Shield, the Department of Financial Regulation, The Green Mountain Care Board, the Vermont Hospitals (including UVM), and the Health Care Advocate towards reducing the cost of health care and lowering insurance premiums for Vermonters.

Transportation

As the House Committee on Transportation reviews the annual Transportation Bill, it remains focused on the declining revenue coming into the Agency of Transportation (AOT) due to slowing gas-tax revenues and soft purchase-and-use fees. As Vermont continues its

commitment to decreasing greenhouse gas emissions through electric vehicle (EV) adoption, gas-tax revenues decline. Electric vehicles pay an additional registration fee (currently funding installation of EV charging stations), but the mileage-based user fee (proposed to charge EVs a fee commensurate with the gas tax) is still in development. Federal and state EV purchase incentives, which boosted car sales, were halted last year. The situation is further compounded by a 60% increase in construction costs since 2020, directly impacting the cost of road maintenance. At current transportation funding levels, the Agency projects that roughly 60 percent of state roads will be in poor condition by 2030.

The committee and the Governor are in agreement that the AOT's annual contribution to the Education Fund through purchase-and-use fees (approx. \$50 million in FY26) must begin to be eliminated in order to stabilize AOT resources. Beginning with FY 2027, AOT plans to begin reclaiming the 1/3 of purchase-and use-fees that have been going to the Education Fund. Additionally, AOT plans to cut over \$30 million from its FY27 budget, including a reduction in labor of over 50 positions.

Amidst challenging finances, AOT plans to increase the miles of state highway maintenance projects in 2027 by maximizing available federal funds (to make up for a below-average paving year in 2026). Legislative action last session ensured that funds for town roads and structures increase— at a minimum—at the rate of inflation. However, these funds are insufficient to meet the needs of municipalities, and are already committed through 2035, meaning no new projects can be added to the list. And while AOT funds for local projects like sidewalks and bike lanes have brought great economic and social benefits to towns, funds for these projects remain severely limited. The committee continues to explore ways to shore up revenue and reduce costs while continuing to meet the state's climate and resiliency goals.

Ways and Means (Revenue/Tax)

The Ways and Means committee is focused on reckoning with the Trump Administration's giveaways to corporations and the wealthiest few, continuing work on property-tax reform and fair education spending, and ensuring we have the best revenue structure to support our policy work with the goal of increasing accountability and affordability for taxpayers.

The Committee on Ways and Means is still working to set the annual "yield" (education property tax) bill while we await school budget votes to understand the full sum we need to raise. These are unstable times, and property taxes will likely stay challenging while we are still implementing/debating education transformation. Know that we are committed to doing everything we can to stabilize and lower Vermonters' property tax bills this year

while maintaining essential public services and quality, public-education opportunities for our kids.

As part of our work to make Vermont's property tax system fairer, we continue work started last year on the creation of regional assessment districts (RAD) and the design of a tax on second homes. RADs will allow towns in a region to work together to ensure that we have a consistent appraisal cycle. This ensures that property taxes are spread fairly across the state and that there are fewer swings in individual taxpayers' bills from year to year. A different (and higher) property tax rate on second homes will support our public schools while reducing property taxes on homesteads, businesses, apartments, and seasonal camps.

The Reconciliation Act (H.R.1), passed by the federal government last summer, made many changes to corporate and personal income tax laws. By tradition, Vermont links up many definitions of personal and corporate taxable income to the federal definitions each year. If we choose to do that this year, many of the changes made in the Reconciliation Act would have an impact on Vermont's state tax revenue. We are making careful decisions about where Vermont might be better off decoupling from Trump administration policies so we have enough revenue to continue to provide the services Vermonters expect.

Corrections and Institutions

The Vermont Medicaid Re-entry Program will serve as a bridge between being incarcerated and returning to one's community. This program is made possible through a Medicaid Section 1115 waiver, which allows states to bypass federal Medicaid rules to test innovative, experimental, or pilot projects that align with program goals, such as improving care or lowering costs. 1115 waivers must be budget-neutral, meaning they cannot cost the federal government more than what would have been spent without the waiver.

Last fall, the Governor and the mayor of Burlington agreed on a fourteen-point plan to address crime in and around Burlington. Part of this plan involved temporarily dedicating additional resources (reassigning a prosecutor, bringing a judge out of retirement, setting aside courtroom 3B of the Costello Courthouse) to quickly process the relatively small number of accused offenders who are responsible for an inordinate number of outstanding cases. The Chittenden "Accountability Court" has been viewed as a tremendous success.

[H.635](#) is a bill that eliminates a supervisory fee imposed by the Department of Corrections. We are correcting issues with this pre-existing law because it puts an undue burden on recently incarcerated individuals, and the majority of supervised people are in arrears on these fees, which then

costs more money to administer the fee than it actually brings in. The bill passed unanimously out of our committee, and Ways & Means, and is coming to the House floor for a vote.

Appropriations

The Appropriations Committee recently finished its work on the annual mid-year Budget Adjustment Act ([BAA](#)), which passed from committee with a unanimous, bipartisan vote. In the BAA, the current year's budget is updated to better reflect updated income and expenditures. The BAA also allows the legislature to respond to emergent needs that arise between the passage of the current fiscal year and next year's budgets. The most significant adjustment this year is the use of \$5 million of state funds to protect the state's reserve of Section 8 vouchers from further erosion, given anticipated program underfunding. The state dollars are coming from funds set aside in the 2026 budget for the purpose of responding to disruptions to Federal funding. These funds will ensure that Vermonters remain in and have access to affordable housing.

As the House Appropriations Committee works toward drafting the FY27 state budget, the committee has been reviewing the Governor's recommended budget, and budget requests from state agencies and departments, legislative policy committees, and Vermonters. There are many aspects of the state budget that are standard annual expenses: we must pay for our state employees and their benefits, maintain state buildings and offices, and keep our agencies and departments running. A much smaller portion of the budget goes to one-time, discretionary expenditures, which can include funding new initiatives, such as updating state computer systems or supporting programs.

Vermont faces a number of challenges this fiscal year. The state has seen reductions to some federal funds, and uncertainty remains for many aspects of the federal budget. There are many cost pressures on the budget, including rising healthcare costs for state employees. Also, a recent downgrade to the state's economic forecast shows the state's revenues are growing slower than costs are increasing.

In light of these pressures, the legislature is focused on funding top priorities. Basic needs, such as food, housing, and healthcare are top-of-mind for many in our state. There are also long-term investments to be considered, such as road paving, bridge projects, and support for school reconstruction. Amidst these challenges, the Appropriations Committee is working to craft a fiscally-responsible, balanced budget that will best serve the needs of Vermonters.