

Agency of Commerce and Community Development

Department of Economic Development

Vermont Economic Progress Council

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House Commerce & Economic Development Committee
Summary Testimony from Abbie Sherman
Executive Director of the Vermont Economic Progress Council
February 24, 2023
H.10 Redraft

Overall, the redraft is a good approach to taking a step back and reevaluating the program and what Vermont's economic needs are. Below are suggestions to the Committee for additional details that could be included in the new draft:

- 1) Appointment Vacancies:
 - a. Clarify who the Council provides notice of vacancy to for legislative appointees.
 - b. There does not appear to be a consequence if appointments are not made within in 30 days, so I am unsure how this is unenforceable.
- 2) Recording Executive Session:
 - a. Suggest including the reasons for which the recording could be requested, the method for making the request, and provisions for what the information obtained may be used for.
 - b. Add a provision that entities obtaining the recording will keep it confidential as it contains discussion of confidential and proprietary information.
 - c. If information from the recording is released or comments on the recording are made by the entities the recording is provided to, is VEPC allowed to respond to those claims? If so, how would VEPC do that without releasing confidential or proprietary information?
- 3) Conflict-of-Interest Policy:
 - a. VEPC has a Conflict-of-Interest Policy as part of the VEPC Rules:

All board members and the executive director, as appointees of the Governor, are subject to the Executive Code of Ethics set forth in Executive Order No. 3-45 promulgated by the Governor of the State of Vermont. Because the council meets regularly to approve or deny incentives to businesses as required by statute, this rule is intended to guide board members on the level of their participation in council meetings to ensure fairness and impartiality in the conduct of council business.

In connection with any staff recommendation on applications involving applicant entities, in which a staff member serves as a director or officer, such association shall be noted in writing in the staff memorandum to the

council. In such cases, the staff member shall not participate in any executive session held to discuss the application.

Council members who disqualify themselves from consideration of matters due to conflicts of interest may not take an active part in either the proceedings before the council or in its deliberations during the period of time the board is discussing the entity in question.

This policy applies to all regular, special and emergency meetings of the council and all committee meetings governed by the Vermont Open Meeting Law. Nothing herein shall be construed to contradict any code of ethics or executive order applicable to members of the council.

- b. Not sure who the proposed language in H.10 applies to or what standards the legislature would like include. Is this applicable to legislative members? How is the policy enforced?
- 4) VEGI Study:
- a. Suggest that a panel be developed to craft the questions covered in an RFP and the panel should be balanced to include the Governor's Administration. It would be unusual to exclude the Administration as the entity which implements the program.
 - b. If or when an RFP is developed, it should be awarded to someone not currently or previously involved in the VEGI program so that an outside perspective can be gained.
 - c. Add language which would allow VEPC and all involved State agencies to provide the information needed and include appropriate coverage to ensure that confidential or proprietary information is not publicly released.
- 5) VEGI Extension
- a. Add an automatic extension if the study is not completed and action is not taken before January 1, 2025.
- 6) It's possible that a lot of the Committee's questions could be answered via an audit of the program by the State Auditor's Office, which follows the State Auditor's Professional Standards Manual.

