

1 H.550

2 Introduced by Representatives Botzow of Pownal and Marcotte of Coventry

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade; economic development; Vermont economic

6 development board

7 Statement of purpose: This bill proposes to create a Vermont economic

8 development board.

9 An act relating to the Vermont economic development board

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. PURPOSE

12 The purpose of this act is to create a permanent Vermont economic
13 development board that is authorized and empowered as the state's primary
14 authority for economic development planning and assessment. The board shall
15 have the responsibility to:

16 (1) prepare and periodically update a long-range comprehensive
17 economic development plan to guide Vermont toward the attainment of the
18 four goals for economic development identified in 10 V.S.A. § 3;

19 (2) design, manage, and maintain a strategic benchmarking process as
20 part of the comprehensive economic development plan, conduct necessary

1 research and analysis, and establish quantitative measures, outcome-based
2 targets, and performance standards to measure the effectiveness of economic
3 development programs and policies in the attainment of the goals of the
4 comprehensive economic development plan;

5 (3) advise the administration, relevant state agencies, and the general
6 assembly on the adoption and amendment of laws, regulations, and policies
7 that affect economic development and the economic opportunities and
8 well-being of the people of Vermont; and

9 (4) monitor, assess, and report on an ongoing basis Vermont's progress
10 toward achieving its goals for economic development.

11 Sec. 2. 10 V.S.A. § 4 is added to read:

12 § 4. VERMONT ECONOMIC DEVELOPMENT BOARD;

13 ORGANIZATION; DUTIES AND AUTHORITY

14 (a) Board created. The Vermont economic development board is hereby
15 created and established as a body corporate and politic and a public
16 instrumentality of the state. The exercise by the board of the powers conferred
17 upon it in this section constitutes the performance of essential governmental
18 functions.

19 (b) Powers and duties. The board shall have the authority and duty to:

20 (1) meet, at least monthly, to conduct such business and take such action
21 as is necessary to perform the duties set forth in this section;

1 (2) design and conduct an ongoing public engagement process to take
2 testimony and receive information from any party interested in the board's
3 economic policy planning;

4 (3) conduct research, retain experts, counsel, and consultants to perform
5 research or analysis as needed, and obtain necessary data and information from
6 the state's economists and administrative agencies; and

7 (4) serve as a resource for and make recommendations to the
8 administration and the general assembly on ways to improve Vermont's laws,
9 regulations, and policies in order to attain the goals of the comprehensive
10 economic development plan and the four goals for economic development.

11 (c) Five-year comprehensive economic development plan.

12 (1) Using the information from its ongoing public engagement process,
13 the strategic benchmarking process, and additional research and data gathered
14 by the board, the board shall prepare a five-year comprehensive economic
15 development plan for the state of Vermont. The plan shall address, at
16 minimum, the following:

17 (A) a profile of current and projected workforce composition and
18 demographic trends;

19 (B) a profile of current business and industry sectors active in
20 Vermont, the projected viability of these sectors, the resources required to

1 support these sectors, and a cost-benefit analysis of allocating economic
2 development resources to each sector;

3 (C) a profile of emerging business and industry sectors projected to
4 present future economic development opportunities, and a cost-benefit analysis
5 of strategies and resources necessary to capitalize on these opportunities;

6 (D) a profile of current components of physical and social
7 infrastructure affecting economic development;

8 (E) a profile of current regulatory requirements affecting economic
9 development, including environmental permitting, financial regulation, and
10 utility regulation, and a cost-benefit analysis of maintaining, enhancing, or
11 reducing the number and scope of these requirements;

12 (F) a profile of government-sponsored programs, economic
13 development resources, and financial incentives designed to promote and
14 support economic development, and a cost-benefit analysis of continued
15 support, expansion, or abandonment of these programs, resources, and
16 incentives.

17 (G) any additional issues as the board determines appropriate.

18 (2) Based on its research and analysis, the board shall establish in the
19 plan a set of clear and measurable strategies for economic development, the
20 purpose of which shall be to guide economic development planning and

1 policymaking for the next five years toward attainment of the four goals for
2 economic development set forth in section 3 of this title.

3 (3) Within one year of its first meeting, the board shall present the plan
4 to the governor and the general assembly as the Vermont comprehensive plan
5 for economic development.

6 (4) The board shall conduct a periodic review and revision of the
7 comprehensive economic development plan as often as is necessary in its
8 discretion, but at minimum every five years, to ensure the plan remains current,
9 relevant, and beneficial for guiding and evaluating economic development
10 policy.

11 (d) Benchmarking.

12 (1) The board shall create and manage an economic development
13 indicators benchmarking system (EDIBS) based upon and incorporating the
14 report of the benchmarking subcommittee of the commission on the future of
15 economic development in collaboration with the state economists. The board
16 shall use the EDIBS to strategically gather and analyze economic data and to:

17 (A) provide the basis for designing, reviewing, and revising the
18 comprehensive economic development plan and the annual report required
19 under this section;

1 (B) aid the state in anticipating changes in economic trends and
2 conditions that may beneficially or adversely affect Vermont's businesses and
3 citizens;

4 (C) generate reports, provide information and analysis, and make
5 policy recommendations with regard to specific economic development
6 policies and programs; and

7 (D) set outcome-based targets for specific economic development
8 criteria and measure the effectiveness and ongoing progress toward attaining
9 these targets, the goals identified in the comprehensive economic development
10 plan, and the four goals for economic development.

11 (2) The board, in cooperation with the state economists or other
12 economic technical experts designated by the legislative and executive
13 branches, shall maintain the core benchmark indicators analytic database of the
14 EDIBS, including at minimum biannual updates of each indicator and ongoing
15 assessment of the sufficiency and scope of economic data-sets and -series
16 available.

17 (3) The board shall make the benchmark indicators analytic database
18 and related EDIBS reports available to the public via the Internet in both
19 manipulative and nonmanipulative electronic formats.

20 (e) Annual report. The board shall issue a report, at least annually, to the
21 administration, the general assembly, and the people of Vermont on the state's

1 progress toward attaining the goals identified in the comprehensive economic
2 development plan and the four goals for economic development identified in
3 section 3 of this title. The annual report shall include an identification and
4 analysis of specific polices, programs and expenditures authorized or
5 administered by the state, an analysis, including benchmarking, of the
6 effectiveness of the policy, program or expenditure in attaining the goals and
7 outcomes identified in the comprehensive economic development plan, and
8 recommendations for the adjustment or abandonment of the policy, program or
9 expenditure based on its attainment of or conflict with the goals and outcomes
10 identified in the comprehensive economic development plan.

11 (f) Unified economic development budget analysis. The board shall
12 annually undertake an analysis of the unified economic development budget
13 required under section 2 of this title. The board shall publish an annual report,
14 which may be combined with the annual report required under subsection (e)
15 of this section, that shall include at minimum:

16 (1) a systematic analysis of the investment returns of each economic
17 development expenditure reported in the budget; and

18 (2) specific program and policy recommendations to the general
19 assembly and administration on the allocation of economic development
20 resources.

1 (g) Composition of board.

2 (1) The board shall be composed of 17 members. In making
3 appointments to the board pursuant to this section, the governor, the speaker of
4 the house, and the president pro tempore of the senate shall coordinate their
5 selections to ensure, to the greatest extent possible, that the board members
6 selected by them reflect the following qualities:

7 (A) proven leadership in a broad range of efforts and activities to
8 promote and improve the Vermont economy and the quality of life of
9 Vermonters;

10 (B) demonstrated innovation, creativity, collaboration, pragmatism,
11 and willingness to make long-term commitments of time, energy, and effort.

12 (C) geographic, gender, ethnic, social, political, and economic
13 diversity;

14 (D) diversity of business location, size, and sector of the for-profit
15 business community members; and

16 (E) diversity of interest of the nonprofit or nongovernmental
17 organization community members.

18 (2) Members of the board shall include the following:

19 (A) the governor, or a designee who, during his or her time of service
20 to the board, shall be an executive branch employee and who shall represent
21 and speak for the administration in matters of economic development planning.

1 policy, and performance and report directly to the governor on the board's
2 activities;

3 (B) the speaker of the house of representatives, or a designee who,
4 during his or her time of service to the board, shall be a legislative member and
5 shall report directly to the speaker on the board's activities;

6 (C) the president pro tempore of the senate, or a designee who,
7 during his or her time of service to the board, shall be a legislative member and
8 shall report directly to the president pro tempore on the board's activities;

9 (D) eight at-large members drawn from a diverse cross-section of the
10 for-profit business community, four of whom shall be appointed by the
11 governor, two of whom shall be appointed by the speaker of the house, and
12 two of whom shall be appointed by the president pro tempore of the senate;

13 (E) four at-large members drawn from the nonprofit or
14 nongovernmental organization community, two of whom shall be appointed by
15 the governor, one of whom shall be appointed by the speaker of the house, and
16 one of whom shall be appointed by the president pro tempore of the senate;

17 (F) one member from Vermont's regional planning commissions
18 selected by a majority vote of the executive directors of the regional planning
19 commissions for qualities of leadership, innovation, creativity, collaboration,
20 pragmatism, and willingness to make long-term commitments of time, energy,
21 and effort; and

1 (G) one member from Vermont's regional economic development
2 corporations selected by a majority vote of the executive directors of the
3 regional economic development corporations for qualities of leadership,
4 innovation, creativity, collaboration, pragmatism, and willingness to make
5 long-term commitments of time, energy, and effort.

6 (h) Governance.

7 (1) The board shall adopt rules of procedure not inconsistent with this
8 section before conducting any further business.

9 (2) Unless a higher threshold is established by the board's rules, nine
10 members of the board shall constitute a quorum, and an action of the board
11 shall be taken by a majority of those members present and voting.

12 (3)(A) The board shall be led by a chair who shall be unanimously
13 appointed by the governor, the speaker of the house, and the president pro
14 tempore of the senate from among the members appointed pursuant to
15 subsection (g) of this section.

16 (B) The chair shall be a full-time employee of the board, and shall
17 serve as chair for the duration of his or her member term, until his or her earlier
18 resignation, or until his or her unanimous removal by the governor, the speaker
19 of the house, and the president pro tempore of the senate.

20 (C) A chair may be reappointed provided that no individual may
21 serve more than three consecutive terms as chair.

1 (4) Each member of the board shall serve a four-year term, except that
2 two of the four at-large members initially appointed by the governor, one of
3 the two at-large members initially appointed by the speaker, and one of the two
4 at-large members initially appointed by the president pro tempore pursuant to
5 subdivision (g)(2)(D) of this section, the four at-large members initially
6 appointed under subdivision (g)(2)(E), and the member initially appointed by
7 the regional planning commissions under subdivision (g)(2)(F) shall serve an
8 initial term of two years.

9 (5) Any vacancy occurring among the members shall be filled by the
10 respective appointing authority pursuant to this subsection, and shall be filled
11 for the balance of the unexpired term. A member may be reappointed,
12 provided that no individual may serve more than three consecutive terms.

13 (i) Board administrator. The board shall have the authority, in its
14 discretion, to either hire an employee or contract with an individual or
15 organization to serve as board administrator. The board administrator shall be
16 supervised by and report directly to the chair, and shall direct and supervise the
17 board's administrative affairs and technical activities. In addition to any other
18 duties prescribed by the board, the board administrator shall:

19 (1) attend all meetings of the board, act as its secretary, and keep
20 minutes of its proceedings;

1 (2) approve all accounts of the board, including accounts for salaries,
2 per diems, and allowable expenses of any employee or consultant thereof and
3 expenses incidental to the operation of the board;

4 (3) prepare and present an annual report to the board documenting the
5 actions of the board and such other reports as the board may request;

6 (4) perform such other duties as may be directed by the board in
7 carrying out of the purposes of this chapter.

8 (j) Compensation. Except for the chair and those members otherwise
9 regularly employed by the state, the compensation of the board's members
10 shall be the same as that provided by subsection 1010(a) of Title 32. All
11 members of the board, including the chair and those members otherwise
12 regularly employed by the state, shall receive their actual and necessary
13 expenses when away from home or office upon their official duties.

14 * * * Administration of the Unified Economic Development Budget * * *

15 Sec. 3. 10 V.S.A. § 2 is amended to read:

16 § 2. UNIFIED ECONOMIC DEVELOPMENT BUDGET (UEDB)

17 (a) For purposes of evaluating the effect on economic development in this
18 state, the commissioner of finance and management, in collaboration with the
19 secretary of commerce and community development, shall submit a unified
20 economic development budget as part of the annual budget report to the

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2 Sec. 6. REPEAL

5 Sec. 7. EFFECTIVE DATE

6 This act shall take effect upon passage.