

S.198

Introduced by Senators Miller, Carris and Mullin

Referred to Committee on

Date:

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

Statement of purpose: This bill proposes to create a Vermont economic
development board.

An act relating to the Vermont Economic Development Board

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

Sec. 1. PURPOSE

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

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

(2) design, manage, and maintain a strategic benchmarking process as
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. The board shall create and manage a benchmarking
12 process designed to strategically gather and analyze economic data, which the
13 board shall use, in addition to other information gathered by the board, to:

14 (1) provide the basis for designing, reviewing, and revising the
15 comprehensive economic development plan and the annual report required
16 under this section;

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

1 (3) generate reports, provide information and analysis, and make policy
2 recommendations with regard to specific economic development policies and
3 programs; and

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

8 (e) Annual report. The board shall issue a report, at least annually, to the
9 administration, the general assembly, and the people of Vermont on the state's
10 progress toward attaining the goals identified in the comprehensive economic
11 development plan and the four goals for economic development identified in
12 section 3 of this title. The annual report shall include an identification and
13 analysis of specific policies, programs and expenditures authorized or
14 administered by the state, an analysis, including benchmarking, of the
15 effectiveness of the policy, program or expenditure in attaining the goals and
16 outcomes identified in the comprehensive economic development plan, and
17 recommendations for the adjustment or abandonment of the policy, program or
18 expenditure based on its attainment of or conflict with the goals and outcomes
19 identified in the comprehensive economic development plan.

20 (f) Unified economic development budget analysis. The board shall
21 annually undertake an analysis of the unified economic development budget

1 required under section 2 of this title. The board shall publish an annual report,
2 which may be combined with the annual report required under subsection (e)
3 of this section, that shall include at minimum:

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

6 (2) specific program and policy recommendations to the general
7 assembly and administration on the allocation of economic development
8 resources.

9 (g) Composition of board.

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

15 (A) proven leadership in a broad range of efforts and activities to
16 promote and improve the Vermont economy and the quality of life of
17 Vermonters;

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

20 (C) geographic, gender, ethnic, social, political, and economic
21 diversity;

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

3 (E) diversity of interest of the nonprofit or nongovernmental
4 organization community members.

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

6 (A) the governor, or a designee who, during his or her time of service
7 to the board, shall be an executive branch employee and who shall represent
8 and speak for the administration in matters of economic development planning,
9 policy, and performance and report directly to the governor on the board's
10 activities;

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

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

17 (D) eight at-large members representing a diverse cross-section of the
18 for-profit business community, four of whom shall be appointed by the
19 governor, two of whom shall be appointed by the speaker of the house, and
20 two of whom shall be appointed by the president pro tempore of the senate;

1 (E) four at-large members representing the nonprofit or
2 nongovernmental organization community, two of whom shall be appointed by
3 the governor, one of whom shall be appointed by the speaker of the house, and
4 one of whom shall be appointed by the president pro tempore of the senate;

5 (F) one member representing Vermont's regional planning
6 commissions selected by a majority vote of the executive directors of the
7 regional planning commissions for qualities of leadership, innovation,
8 creativity, collaboration, pragmatism, and willingness to make long-term
9 commitments of time, energy, and effort; and

10 (G) one member representing Vermont's regional economic
11 development corporations selected by a majority vote of the executive
12 directors of the regional economic development corporations for qualities of
13 leadership, innovation, creativity, collaboration, pragmatism, and willingness
14 to make long-term commitments of time, energy, and effort.

15 (h) Governance.

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

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

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

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

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

11 (4) Each member of the board shall serve a four-year term, except that
12 two of the four at-large members initially appointed by the governor, one of
13 the two at-large members initially appointed by the speaker, and one of the two
14 at-large members initially appointed by the president pro tempore pursuant to
15 subdivision (g)(2)(D) of this section, the four at-large members initially
16 appointed under subdivision (g)(2)(E), and the member initially appointed by
17 the regional planning commissions under subdivision (g)(2)(F) shall serve an
18 initial term of two years.

19 (5) Any vacancy occurring among the members shall be filled by the
20 respective appointing authority pursuant to this subsection, and shall be filled

1 for the balance of the unexpired term. A member may be reappointed,
2 provided that no individual may serve more than three consecutive terms.

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

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

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

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

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

18 (j) Compensation. Except for the chair and those members otherwise
19 regularly employed by the state, the compensation of the board's members
20 shall be the same as that provided by subsection 1010(a) of Title 32. All
21 members of the board, including the chair and those members otherwise

1 regularly employed by the state, shall receive their actual and necessary
2 expenses when away from home or office upon their official duties.

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

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

5 § 2. UNIFIED ECONOMIC DEVELOPMENT BUDGET (UEDB)

6 (a) For purposes of evaluating the effect on economic development in this
7 state, the commissioner of finance and management, in collaboration with the
8 secretary of commerce and community development, shall submit a unified
9 economic development budget as part of the annual budget report to the
10 general assembly under 32 V.S.A. § 306, and to the Vermont economic
11 development board for its analysis and report under section 4 of this title.

12 * * *

13 * * * Creation of State Positions * * *

14 Sec. 4. VERMONT ECONOMIC DEVELOPMENT BOARD POSITIONS

15 (a) The following permanent positions are created as exempt positions
16 within the state:

17 (1) Vermont economic development board chair (1 position);

18 (2) Vermont economic development board administrator (1 position).

19 (b) Pursuant to 10 V.S.A. § 4(i), the Vermont economic development board
20 shall have the discretion to fill the position of board administrator, or

1 alternatively, to contract with an individual or organization to perform
2 administrative services on behalf of the board.

3 * * * Funding * * *

4 Sec. 5. APPROPRIATION

5 The amount of \$350,000 is appropriated in fiscal year 2010 from the
6 general fund to the Vermont economic development board for the performance
7 of its duties identified in this act.

8 * * * Implementation * * *

9 Sec. 6. REPEAL

10 10 V.S.A. § 1 (commission on the future of economic development) is
11 repealed.

12 Sec. 7. EFFECTIVE DATE

13 This act shall take effect upon passage.