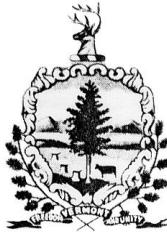


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STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

MEMORANDUM

To: Rep. Martha Heath, Chair, House Committee on Appropriations

From: Rep. Bill Botzow, Chair, House Committee on Commerce and Economic Development

Date: March 14, 2014

Subject: Review of FY 2015 Budget Provisions

Thank you for the opportunity to review those provisions of the Governor's fiscal year 2015 proposed budget that fall under the jurisdiction of the Committee on Commerce and Economic Development. After testimony and careful consideration of these provisions, the Committee voted unanimously in support of the language in Sec. E.100 (authorization of positions, including DFR - Financial Examiner II and DOE – Economic Development Director); Sec. D.100 (appropriation and allocation of property transfer tax fund and Municipal and Regional Planning Fund); Sec. D.101 (transfer from GF to Communications and Information Technology Internal Service Fund); E.105 (\$635k grant from DII to VTA); Sec. E.131 (Treasurer authority to invest up to \$500k in Vermont Community Loan Fund); Sec. E.234 (inclusion of Commissioner of Finance and Management in USF rate proceedings); Sec. E.400 (amendment to 21 V.S.A. §1314(c) to comply with federal labor law); Sec. E.400.1 (amendment to 21 V.S.A. § 1347(c) to comply with federal labor law); and, Sec. E.801 (amendment to 8 V.S.A. § 6017(a)(1) to increase DOE expenditure of captive premium tax from 2% to 3%).

With respect to Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS, the Committee recommends the following changes to the language, as highlighted:

(a) In fiscal year 2015, \$3,293,000 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed below:

(1) Workforce development education and training. The amount of \$1,377,500 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$817,500 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce development education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for

competitive grants for internships through the Vermont Career Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor working in consultation with the Workforce Development Council Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of \$330,000 as follows:

(A) Health care loan repayment. The amount of \$300,000 is appropriated to the Agency of Human Services – Global Commitment for the Department of Health to use for health care loan repayment. The department shall use these funds for a grant to the Area Health Education Centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

(B) Large animal veterinarians' loan forgiveness. The amount of \$30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan forgiveness program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$1,444,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs. The amount of \$800,000 is appropriated to the Vermont State Colleges for dual enrollment programs consistent with Act 77 of 2013. The State Colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institutions are better academically a program is not available at the State Colleges and the student will be better served at the non-State college or when available programs are not geographically suited to student need.

(4) Science Technology Engineering and Math (STEM) Incentive. The amount of \$141,000 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6.

With respect to Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2016 NEXT GENERATION FUND DISTRIBUTION, the Committee recommends the following changes to the language, as highlighted:

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the Workforce Development Council Investment Board, shall recommend to the Governor no later than November 1, 2014 how \$3,293,000 from the Next Generation Fund should be allocated or appropriated in fiscal year 2016 to provide maximum benefit to workforce development education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The Department of Labor shall actively and publicly promote the availability of these funds to eligible entities that have not previously been funded.

In conclusion, the Committee on Commerce and Community Development encourages the Committee on Appropriations to continue its work to ensure that the tax dollars for any of the above programs are spent in a transparent manner and carefully evaluate their effectiveness. Again, thank you for the opportunity to review these provisions and provide input as you consider the Governor's proposed budget.