



STATE OF VERMONT

MEMORANDUM

To: Rep. Martha Heath, Chair, House Committee on Appropriations
From: Rep. Bill Botzow, Chair, House Committee on Commerce and Economic
Development
Date: January 8, 2014
Subject: Commerce Issues in the Governor's Proposed 2014 Budget Adjustment

The House Committee on Commerce and Economic Development has reviewed the following provisions of the Governor's Proposed FY 2014 Budget and respectfully submits its responses below based on the unanimous agreement of the Committee:

1. Sec. 64 - \$100,000.00 increase in USF funds available to provide technical assistance and guidance to school districts to comply with E911 address requirements

The Committee heard from representatives from Vermont E911, schools, and public safety officials regarding the need for increased funding to clearly establish points of contact within schools for E911 communications. The Committee notes that questions remain on how private and independent schools fit within the E911 framework for public schools, and expresses its policy position that, to the extent funding for school systems is limited, priority should be given to serve areas within buildings and facilities where children are present. With these considerations in mind, the Committee supports the proposed increase in funding.

2. Sec. 67.1/B.800 - Spending authority to the Agency of Commerce and Community Development for funds contributed by the operators of Vermont Yankee to promote economic development in Windham County

The Committee heard testimony from both the Agency and from the directors of the regional planning commission and regional development corporation for Windham County concerning their ongoing efforts to prepare for the closure of the Vermont Yankee nuclear power plant in December of this year. These partners have been working together through the Southeastern Vermont Economic Development Strategies organization to prepare a plan (CEDS) for economic development in the region, and in particular, to support the area following the closure of the VY plant.

The State of Vermont and Entergy have entered into a Settlement Agreement addressing the terms of the future operation and decommissioning of the VY plant; the Agreement is now pending approval before the Public Service Board. Under the terms of the Agreement, Entergy will contribute a total of \$10,000,000.00 for economic development initiatives in Windham County, with an annual payment of \$2,000,000.00 beginning April 1, 2014. If the Agreement is not approved, these funds will not become available and the requested authority will be moot. If, however, the Agreement is approved, it is critically important that the Agency and its partners have the authority to begin using the funds to implement the early elements of the CEDS plan in advance of the plant's closure, and to continue economic development initiatives pursuant to the CEDS plan following closure.

The Agency of Commerce and Community Development, through budget adjustment, requests authority to spend up to \$500,000.00 from the Settlement Agreement funds beginning April 1, 2014. The language of the request is mirrored on the language of the Settlement Agreement and is sufficiently broad to allow the Agency and its partners to respond nimbly and with flexibility to implement their economic development plans for the region at this early stage with the initial \$500,000.00. Thereafter, legislative guidance and executive oversight of the remaining \$9,500,000.00 of the Settlement Funds would be addressed in the context of future regular budget discussions.

The Committee finds that these funds will help provide the capacity to implement the early elements of the CEDS plan in Windham County. The Committee also expresses its policy position that, given the substantial amount of resources that may become available to the Windham County region from the Settlement Agreement, it is especially important that the expenditures for workforce and economic development from these funds not duplicate efforts of other departments and agencies.

In light of the foregoing, the Committee supports a grant of spending authority to the Agency of Commerce and Community Development consistent with its request and the provisions of the Settlement Agreement.

VOTE: 11-0-0

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Rep. Michele Kupersmith, Clerk

House Committee on Commerce and Economic Development