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GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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MEMORANDUM

To: Rep. Mitzi Johnson, Chair
House Committee on Appropriations

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

Date: February 18, 2016

Subject: FY 2017 Program Review – Commerce and Economic Development Programs

Thank you for the opportunity to provide comments and guidance concerning State programs within the subject matter jurisdiction of the Committee on Commerce and Economic Development.

Process

The Committee began its program review process with an introduction to Vermont's Population-Level Quality of Life Outcomes and Indicators, as codified in 3 V.S.A. § 2311 and as proposed to be amended by S.198, and a review of Speaker Smith's letter to committee chairs, in which the Speaker presented his request and guidance to undertake a review of State programs and activities.

Based on the Speaker's guidance, the Committee resolved to hear directly from the Secretaries, Commissioners, and other program administrators on what they do, how well they do it, and why they do it. Over the first several weeks of the 2016 legislative session the Committee took testimony from: the Agency of Commerce and Community Development; the Department of Public Service; the Department of Financial Regulation; the Department of Labor; the Office of the Attorney General; the Vermont Economic Progress Council; Regional Planning Commissions; and Regional Development Corporations.

Considering this testimony, and the Population-Level Quality of Life Outcomes and Indicators, the Committee worked collaboratively to classify each State program or activity into one of four categories: (1) Most Critical; (2) Very Important; (3) Good to Do; and (4) Not Do. In addition to

this classification into one of the four categories, the Committee also determined whether each program or activity should continue as currently structured and implemented, or whether it should be designated as Rethink, and if so, why.

Results

The Committee classified each of 35 programs and activities within its jurisdiction as Most Critical, Very Important, or Good to Do. The Committee did not classify any program or activity as Not Do. The Committee also designated 12 programs and activities as Rethink. The results of the Committee's review, classification, and brief explanations, follow below. Please note that a program or activity that is designated as Rethink appears in italics.

(1) Most Critical

The Committee finds that it is most critical for State government to continue to fund and to provide the services available to Vermonters through the following programs and activities:

1. Department of Financial Regulation

2. Division of Connectivity, Department of Public Service

The Committee designates this program as Rethink based on the issues concerning municipal participation in the 248a telecommunications siting process. The Committee finds that the principle of "substantial deference" applicable to municipal siting recommendations to the Public Service Board requires more clarity and that municipalities should have clear authority to more meaningfully participate in the process.

3. Department of Tourism and Marketing, Agency of Commerce and Community Development

4. Chief Marketing Officer, Agency of Commerce and Community Development

The Committee designates this position and its duties, mission, and authority as Rethink because the Committee questions whether the position is properly housed within ACCD and whether the CMO has sufficient authority within State government and other marketing partners to ensure consistent use of the Vermont brand, which is critical to maintaining the brand identity of Vermont.

5. Mobile Home Parks Program, Agency of Commerce and Community Development

6. Vermont Community Development Program (CDBG), Agency of Commerce and Community Development

7. Municipal Planning Grants Program, Agency of Commerce and Community Development

8. Captive Insurance, Department of Economic Development, Agency of Commerce and Community Development

9. Vermont Economic Progress Council

10. Regional Development Corporations

11. Regional Planning Commissions

12. Dual Enrollment, Agency of Education

13. Career Technical Education, Agency of Education

14. Workforce Education and Training, Department of Labor

The Committee broadly designates programs and activities related to workforce education and training as Rethink because the WET system should be coordinated by the Commissioner of Labor and implemented to ensure the State uses its limited resources to provide education and training to students, employees, and prospective employees in the most efficient and effective manner, consistent with the statutory duties and authority vested in the Commissioner as workforce leader, with the support of the State Workforce Investment Board, as provided in 10 V.S.A. chapter 22A.

15. Vermont Training Program, Agency of Commerce and Community Development

The Committee broadly designates programs and activities related to workforce education and training as Rethink because the WET system should be coordinated by the Commissioner of Labor and implemented to ensure the State uses its limited resources to provide education and training to students, employees, and prospective employees in the most efficient and effective manner, consistent with the statutory duties and authority vested in the Commissioner as workforce leader, with the support of the State Workforce Investment Board, as provided in 10 V.S.A. chapter 22A.

(2) Very Important

The Committee finds that it is very important for State government to continue to fund and to provide the services available to Vermonters through the following programs and activities:

1. Consumer Assistance Program, Office of the Attorney General

2. Workers' Compensation, Department of Labor

The Committee designates this activity as Rethink because the State needs to rethink its approach to independent contractors.

3. Unemployment Insurance, Department of Labor

4. Vermont Occupational Safety and Health Administration, Department of Labor

The Committee designates this program as Rethink because certain conforming statutory changes required by federal law are necessary to ensure Vermont has the continuing legal authority to administer the program.

5. Vermont Life Magazine, Agency of Commerce and Community Development

6. Department of Housing and Community Development, Agency of Commerce and Community Development

The Committee designates the Growth Center Designation Program within the Department of Housing and Community Development as Rethink because the Department, in collaboration with the Natural Resources Board and stakeholders, needs to clarify the expectations, requirements, and implementation of Criterion 9(L) in light of the persistent tension between new development and historic development patterns.

7. Downtown Designation Program, Department of Housing and Community Development, Agency of Commerce and Community Development

8. Vermont Center for Geographic Information, Agency of Commerce and Community Development

9. Vermont Procurement Technical Assistance Center, Department of Economic Development, Agency of Commerce and Community Development

10. Vermont Global Trade Partnership, Department of Economic Development, Agency of Commerce and Community Development

11. Brownfields Initiative, Department of Economic Development, Agency of Commerce and Community Development

12. Vermont National Guard Educational Assistance

13. Vermont Student Assistance Corporation – Non-degree Grant Program

The Committee designates this program as Rethink because it finds more data is necessary to evaluate the efficacy of the program.

14. University of Vermont – Tech Transfer

This activity involves funding in two streams: one stream through the University of Vermont to the Vermont Center for Emerging Technologies, and the second stream directly to the University of Vermont. The stated purpose of each is “for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.” The Committee designates this activity as

Rethink, specifically with respect to the direct UVM transfer, because more data is necessary to evaluate the efficacy of the activity.

(3) Good to Do

The Committee finds that it is good for State government to continue to fund and to provide the services available to Vermonters through the following programs and activities:

1. State Designation Programs, Department of Housing and Community Development, Agency of Commerce and Community Development [???

2. Village Center Designation Program

3. Division for Historic Preservation, Department of Housing and Community Development, Agency of Commerce and Community Development

4. Tax Increment Financing Districts

The Committee notes that under current law no new TIF Districts are authorized.

5. STEM [Science, Technology, Engineering, and Math Employee Incentive???

The Committee notes that the STEM Employee Incentive is unavailable as of 5/31/2014.

Rethink (otherwise without classification)

1. Vermont Veterinary Medicine Loan Repayment Program, Agency of Agriculture, Food and Markets

The Committee designates this program as Rethink because the Committee finds that the State should explore ways to partner with the private sector to provide supplemental or match funding for veterinary loan repayment.

2. Vocational Rehabilitation, Agency of Human Services

The Committee designates this program as Rethink because it questions whether the workers' compensation component of the program should be relocated to the Department of Labor.