

S. 138 VERMONT EMPLOYMENT GROWTH INCENTIVE (VEGI) PROPOSALS			
SEC	SUBJECT	ORIGINAL PROPOSAL	SENATE COMPROMISE
71	Wage Threshold- Conform Guideline #2 to Threshold	Conform Guideline to 32 Sec 5930b(a)(24) Livable Wage Threshold	Conform Guideline to 32 Sec 5930b(a)(24) 140% or 160% of Min Wage
72	VEGI Wage Threshold	Set at Livable Wage (\$13.00/hour in 2015)	Keep at 160% Vt Minimum Wage for LMA's at or less than state average unemployment; Set at 140% of Vt Minimum Wage for LMAs greater than state average unemployment. Next model update to include any required adjustment to model assumptions regarding public assistance.
For further detail , see attached minimum wage analysis, tables showing LMA's at 140% and 160% and LMA Map			
	Subsection 5 Incentive Enhancement for regions with higher-than-state-average unemployment or lower-than-state-average annual wages	Remove \$1 million cap	Codify Cap; Allow VEPC to exceed the \$1 million cap upon approval of request to Emergency Board
	Extension of 24 Month Period Beyond Target Year to Earn Incentive (Grace Period)	If notified by Tax that company has not met performance requirements by end of grace period, give VEPC Board discretion to review circumstances (if warranted) and allow two one-year extensions for Year 1 and one year for Year 2 if there is a reasonable likelihood the targets will be met within the 12 month extension.	Business must notify VEPC that they may not reach Year 1 or Year 2 performance requirements due to facts or circumstances beyond its control and request extension. Council can approve extension if determines same and determines there is a reasonable likelihood targets will be met within the extension period. Council must rerun model and recalculate incentive.
For illustration of grace period extension, see attachment.			
	Enhanced Training Incentive	If a company requests the incentive, is approved for VEGI, and VTP or WETF approves a training plan, the training program can cover 75% of the training costs during the year of training (vs normal 50%). If VEGI performance requirements are met for that year, company may be paid the entire earned incentive in one payment (vs paying out over 5 years, with required portion of incentive payment going to reimburse the training program for the extra 25% paid out and remainder going to company. Recapture provision included in case of closure or layoff.	If a company requests the incentive, is approved for VEGI, and VTP or WETF approves a training plan, the training program can cover 75% of the training costs during the year of training (vs normal 50%). If VEGI performance requirements are met for that year, company may be paid enough of the entire earned incentive to cover that year's training, with required portion of incentive payment going to reimburse the training program for the extra 25% paid out and remainder going to company. Remainder of earned incentive is paid out over 5 years. Recapture provision included in case of closure or layoff.
	Overall Program Cap of \$10 million	No proposal	Codifies existing cap language
N/A	Value-Add VEGI Enhancement	Extend enhanced VEGI calculation given to Environmental Technology companies to manufacturers and high-tech companies	Not included
For illustration of job, payroll, capex, incentive, and net revenue return impact, see attached graphs			
73	Subsection 5 Cap and Overall Program Cap (Session Law)	No Proposal	Repeals caps from session law (codified by this proposal)
74	Technical amendment to Vermont Training Program required by proposal	Amend limitation of 50% award under VTP so that VEGI Enhanced Training Incentive can allow 75%	Same
100	Effective Dates	Make all approved changes retroactive to January 1, 2015 so that all 2015 applications are treated the same	All retroactive except grace period extension.

Vermont Economic Progress Council

	2014 Inflated by CPI	Min Wage Current Law	140%	160%	Livable Wage	CPI*
2014	\$8.73					236.23
2015	\$8.87	\$9.15	\$12.81	\$14.64	\$13.00	240.02
2016	\$9.03	\$9.60	\$13.44	\$15.36	\$13.00	244.36
2017	\$9.21	\$10.00	\$14.00	\$16.00	\$14.00	249.21
2018	\$9.39	\$10.50	\$14.70	\$16.80	\$14.00	254.15
*	Source: Statista					
Note:	2017 and 2018 Livable Wage Estimated					

DEPARTMENT OF LABOR VERMONT 2015 LMA'S: VEGI WAGE THRESHOLD 140% OF MINIMUM WAGE

Barre VT Micro NECTA	Barre city, VT	Colebrook NH-VT LMA	--- VT Part ---	Morristown- Waterbury VT LMA	Belvidere, VT	Springfield VT LMA	Andover, VT	
	Barre town, VT		Averill, VT		Craftsbury, VT		Baltimore, VT	
	Berlin, VT		Bloomfield, VT		Eden, VT		Cavendish, VT	
	Calais, VT		Canaan, VT		Elmore, VT		Chester, VT	
	East Montpelier, VT		Lemington, VT		Greensboro, VT		Ludlow, VT	
	Marshfield, VT	Norton, VT	Hardwick, VT		Mount Holly, VT			
	Middlesex, VT	Derby VT LMA	Hyde Park, VT		Plymouth, VT			
	Montpelier city, VT		Barton, VT		Johnson, VT		Springfield, VT	
	Orange, VT		Brighton, VT		Lowell, VT		Weathersfield, VT	
	Plainfield, VT		Brownington, VT		Morristown, VT		St. Johnsbury VT LMA	Barnet, VT
	Washington, VT		Charleston, VT	Stowe, VT	Burke, VT			
	Williamstown, VT		Coventry, VT	Waterbury, VT	Cabot, VT			
	Woodbury, VT		Derby, VT	Waterville, VT	Concord, VT			
Worcester, VT	Ferdinand, VT		Wolcott, VT	Danville, VT				
Bennington VT Micro NECTA	Bennington, VT		Glover, VT	Newbury VT LMA	Groton, VT	Barnet, VT		
	Glastenbury, VT		Holland, VT		Newbury, VT	Newbury, VT		Burke, VT
	Pownal, VT		Irasburg, VT		Ryegate, VT	Ryegate, VT		Cabot, VT
	Shaftsbury, VT		Jay, VT		Topsham, VT	Topsham, VT		Concord, VT
			Woodford, VT		Lewis, VT	North Adams MA-VT Micro NECTA		Danville, VT
Brattleboro VT-NH LMA	Athens, VT	Newport city, VT	North Adams MA-VT Micro NECTA	--- VT Part ---	East Haven, VT			
	Brattleboro, VT	Newport town, VT		Stamford, VT	Granby, VT			
	Brookline, VT	Troy, VT			Kirby, VT			
	Dover, VT	Warner's grant, VT			Lyndon, VT			
	Dummerston, VT	Warren's gore, VT			Newark, VT			
	Grafton, VT	Westfield, VT	Randolph VT LMA	Stamford, VT	Peacham, VT			
	Guilford, VT	Westmore, VT		Bethel, VT	Sheffield, VT			
	Halifax, VT	Highgate VT LMA		Braintree, VT	St. Johnsbury, VT			
	Jamaica, VT			Bakersfield, VT	Brookfield, VT	Stannard, VT		
	Marlboro, VT			Berkshire, VT	Chelsea, VT	Sutton, VT		
	Newfane, VT		Enosburgh, VT	Granville, VT	Victory, VT			
	Putney, VT		Fairfield, VT	Hancock, VT	Walden, VT			
	Readsboro, VT	Franklin, VT	Pittsfield, VT	Waterford, VT				
	Rockingham, VT	Highgate, VT	Randolph, VT	Whelock, VT				
	Searsburg, VT	Montgomery, VT	Rochester, VT	Unassigned	Alburgh, VT			
	Somerset, VT	Richford, VT	Roxbury, VT		Buels gore, VT			
	Townshend, VT	Sheldon, VT	Stockbridge, VT		Isle La Motte, VT			
	Vernon, VT	Manchester VT LMA	Rutland VT Micro NECTA		Castleton, VT			
	Wardsboro, VT				Arlington, VT	Chittenden, VT		
	Westminster, VT				Danby, VT	Clarendon, VT		
Whitingham, VT	Dorset, VT				Clarendon, VT			
Wilmington, VT	Landgrove, VT				Hubbardton, VT			
Windham, VT	Londonderry, VT				Ira, VT			
	Manchester, VT				Mendon, VT			
	Mount Tabor, VT				Middletown			
	Pawlet, VT				Springs, VT			
	Peru, VT				Pittsford, VT			
	Poultney, VT			Proctor, VT				
	Rupert, VT			Rutland city, VT				
	Sandgate, VT			Rutland town, VT				
	Stratton, VT	Shrewsbury, VT						
	Sunderland, VT	Wallingford, VT						
	Tinmouth, VT	West Rutland, VT						
	Wells, VT							
	Weston, VT							
	Winhall, VT							

DEPARTMENT OF LABOR VERMONT 2015 LMA'S: VEGI WAGE THRESHOLD 160% OF MINIMUM WAGE				
Burlington-South Burlington VT Metro NECTA	Bolton, VT	Lebanon NH-VT Micro NECTA (White River Junction)	--- VT Part ---	
	Burlington city, VT		Bradford, VT	
	Cambridge, VT		Corinth, VT	
	Charlotte, VT		Fairlee, VT	
	Colchester, VT		Hartford, VT	
	Duxbury, VT		Hartland, VT	
	Essex, VT		Norwich, VT	
	Fairfax, VT		Royalton, VT	
	Ferrisburgh, VT		Sharon, VT	
	Fletcher, VT		Strafford, VT	
	Georgia, VT		Thetford, VT	
	Grand Isle, VT		Tunbridge, VT	
	Hinesburg, VT		Vershire, VT	
	Huntington, VT		West Fairlee, VT	
	Jericho, VT		West Windsor, VT	
	Lincoln, VT	Windsor, VT		
	Milton, VT			
	Monkton, VT			
	North Hero, VT			
	Richmond, VT			
	Shelburne, VT			
	South Burlington city, VT			
	South Hero, VT			
	St. Albans city, VT			
	St. Albans town, VT			
	St. George, VT			
	Starksboro, VT			
	Swanton, VT			
	Underhill, VT			
	Vergennes city, VT			
	Westford, VT			
	Williston, VT			
	Winooski city, VT			
		Northfield-Waitsfield VT LMA	Fayston, VT	
			Moretown, VT	
			Northfield, VT	
			Waitsfield, VT	
			Warren, VT	
			Woodstock VT LMA	Barnard, VT
				Bridgewater, VT
				Killington, VT
				Pomfret, VT
				Reading, VT
				Woodstock, VT
			Littleton NH-VT LMA	-- VT Part --
				Brunswick, VT
		Guildhall, VT		
		Lunenburg, VT		
		Maldstone, VT		
		Middlebury VT LMA		Addison, VT
				Benson, VT
				Brandon, VT
				Bridport, VT
				Bristol, VT
				Cornwall, VT
				Fair Haven, VT
				Goshen, VT
				Leicester, VT
			Middlebury, VT	
			New Haven, VT	
			Orwell, VT	
			Panton, VT	
			Ripton, VT	
			Salisbury, VT	
		Shoreham, VT		
		Sudbury, VT		
		Waltham, VT		
		West Haven, VT		
		Weybridge, VT		
		Whiting, VT		

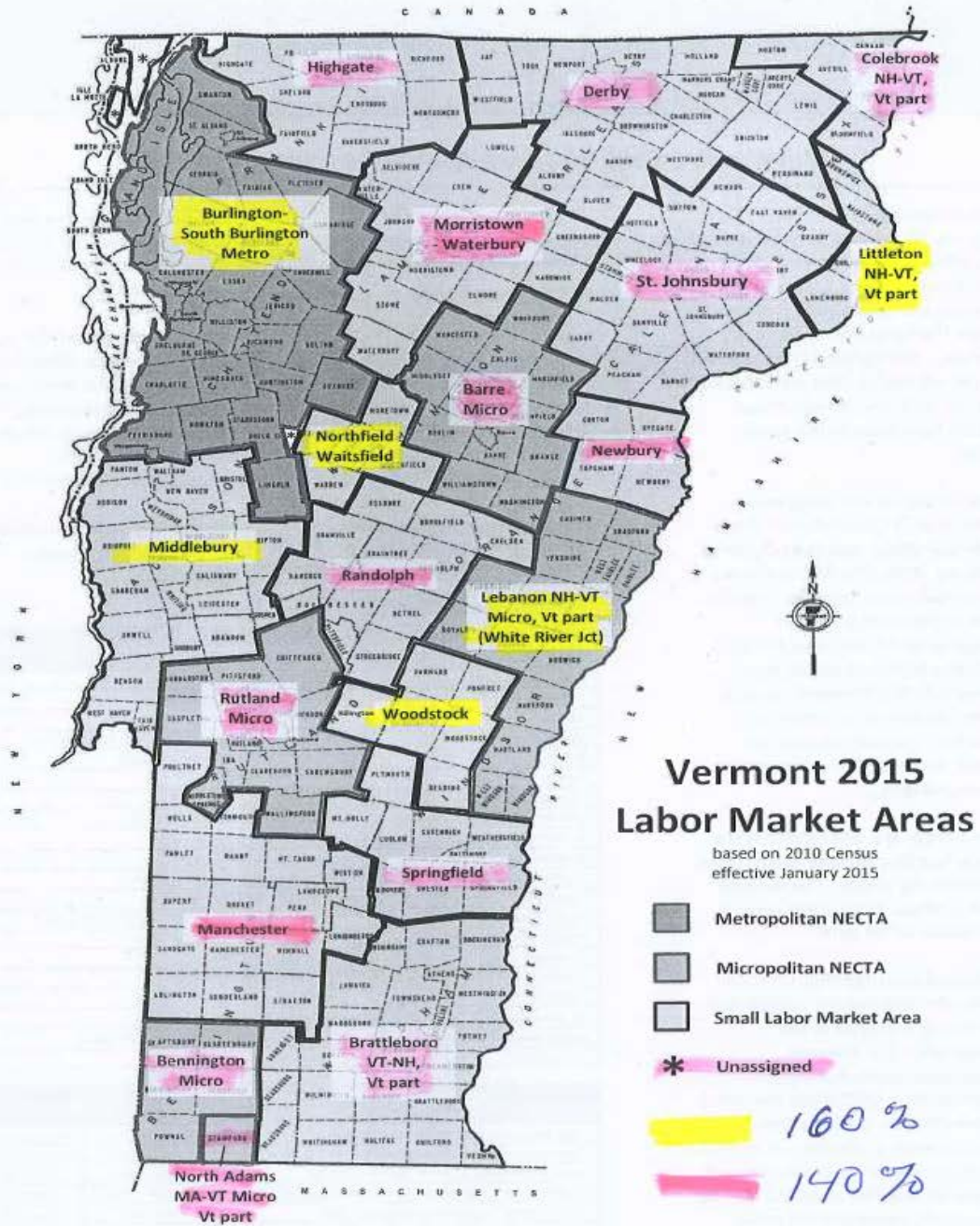


ILLUSTRATION OF GRACE PERIOD EXTENSION

BLUE	5 YEAR MODELING PERIOD
ORANGE	TARGET ACTIVITY YEAR (meet performance requirements this year)
YELLOW	CURRENT GRACE PERIOD (current law automatic 24 month grace period)
GREEN	PROPOSED DISCRETIONARY EXTENSIONS

NORMAL INCENTIVE AMOUNT AND PAYOUT SCHEDULE											
Year	Max. Incentive Amount	Number of Jobs	2015	2016	2017	2018	2019	2020	2021	2022	2023
			1	2	3	4	5	6	7	8	9
1 - 2014	\$130,751	19	\$15,254	\$26,150	\$26,150	\$26,150	\$26,150				
2 - 2015	\$106,859	16		\$12,467	\$21,372	\$21,372	\$21,372	\$21,372			
3 - 2016	\$91,829	14			\$10,713	\$18,366	\$18,366	\$18,366	\$18,366		
4 - 2017	\$91,210	14				\$10,641	\$18,242	\$18,242	\$18,242	\$18,242	
5 - 2018	\$32,826	7					\$3,830	\$6,565	\$6,565	\$6,565	\$6,565
Total	\$453,475	70									
Annual Sum of Incentives:			\$15,254	\$38,617	\$58,235	\$76,529	\$87,960	\$64,545	\$43,173	\$24,807	\$6,565
Cumulative Total			\$15,254	\$53,871	\$112,106	\$188,635	\$276,595	\$341,140	\$384,313	\$409,120	\$415,685

INCENTIVE AMOUNT AND PAYOUT SCHEDULE FOR COMPANY GRANTED EXTENSION OF YEAR 1 ACTIVITY IN YEAR 4											
Year	Max. Incentive Amount	Number of Jobs	2015	2016	2017	2018	2019	2020	2021	2022	2023
			1	2	3	4	5	6	7	8	9
1 - 2014	\$130,751	19	\$0	\$0	\$0	\$15,254	\$26,150	\$26,150	\$26,150	\$26,150	
2 - 2015	\$0	16		\$0	\$0	\$0	\$0	\$0	\$0		
3 - 2016	\$0	14			\$0	\$0	\$0	\$0	\$0		
4 - 2017	\$0	14				\$0	\$0	\$0	\$0	\$0	
5 - 2018	\$0	7					\$0	\$0	\$0	\$0	\$0
Total	\$130,751	70									
Annual Sum of Incentives:			\$0	\$0	\$0	\$15,254	\$26,150	\$26,150	\$26,150	\$26,150	\$0
Cumulative Total			\$0	\$0	\$0	\$15,254	\$41,404	\$67,554	\$93,705	\$119,855	\$119,855

INCENTIVE AMOUNT AND PAYOUT SCHEDULE FOR COMPANY GRANTED EXTENSION OF YEAR 1 ACTIVITY IN YEAR 5											
Year	Max. Incentive Amount	Number of Jobs	2015	2016	2017	2018	2019	2020	2021	2022	2023
			1	2	3	4	5	6	7	8	9
1 - 2014	\$130,751	19	\$0	\$0	\$0	\$0	\$15,254	\$26,150	\$26,150	\$26,150	\$26,150
2 - 2015	\$0	16		\$0	\$0	\$0	\$0	\$0	\$0		
3 - 2016	\$0	14			\$0	\$0	\$0	\$0	\$0		
4 - 2017	\$0	14				\$0	\$0	\$0	\$0	\$0	
5 - 2018	\$0	7					\$0	\$0	\$0	\$0	\$0
Total	\$130,751	70									
Annual Sum of Incentives:			\$0	\$0	\$0	\$0	\$15,254	\$26,150	\$26,150	\$26,150	\$26,150
Cumulative Total			\$0	\$0	\$0	\$0	\$15,254	\$41,404	\$67,554	\$93,705	\$119,855