

1 TO THE HOUSE OF REPRESENTATIVES:

2 The House Committee on Commerce and Economic Development to which
3 was referred House Bill No. 124 entitled “An act relating to promoting
4 economic development” respectfully reports that it has considered the same
5 and recommends that the bill be amended by striking all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Vermont Strong Scholars Program * * *

8 Sec. 1. 16 V.S.A. § 2888 is amended to read:

9 § 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP

10 INITIATIVE

11 (a) Creation.

12 (1) There is created a postsecondary loan forgiveness and internship
13 initiative designed to forgive a portion of Vermont Student Assistance
14 Corporation loans of students employed in ~~economic sectors~~ occupations
15 identified as important to Vermont’s economy and to build internship
16 opportunities for students to gain work experience with Vermont employers.

17 (2) The initiative shall be known as the Vermont Strong Scholars and
18 Internship Initiative and is designed to:

19 (A) encourage students to:

20 (i) consider ~~jobs in economic sectors~~ occupations that are critical
21 to the Vermont economy;

1 (ii) enroll and remain enrolled in a Vermont postsecondary
2 institution; and

3 (iii) live and work in Vermont upon graduation;

4 (B) reduce student loan debt for postsecondary ~~education in targeted~~
5 ~~fields~~ degrees involving a course of study related to, and resulting in,
6 employment in target occupations;

7 (C) provide experiential learning through internship opportunities
8 with Vermont employers; and

9 (D) support a ~~pipeline~~ steady stream of qualified talent for
10 ~~employment with~~ Vermont's employers.

11 (b) Vermont Strong Loan Forgiveness Program.

12 (1) ~~Economic sectors~~ Occupations; projections.

13 (A) Annually, on or before November 15, the Secretary of Commerce
14 and Community Development and the Commissioner of Labor, in consultation
15 with the Vermont State Colleges, the University of Vermont, the Vermont
16 Student Assistance Corporation, the Secretary of Human Services, and the
17 Secretary of Education, shall identify ~~economic sectors~~ occupations, projecting
18 at least four years into the future, that are or will be critical to the Vermont
19 economy.

20 (B) Based upon the identified ~~economic sectors~~ occupations and the
21 number of students anticipated to qualify for loan forgiveness under this

1 section, the Secretary of Commerce and Community Development shall
2 annually provide the General Assembly with the estimated cost of the Vermont
3 Student Assistance Corporation’s loan forgiveness awards under the Loan
4 Forgiveness Program during the then-current fiscal year and each of the four
5 following fiscal years.

6 (2) Eligibility. A graduate of a public or private Vermont postsecondary
7 institution shall be eligible for forgiveness of a portion of his or her Vermont
8 Student Assistance Corporation postsecondary education loans under this
9 section if he or she:

10 (A) was a Vermont resident, as defined in subdivision 2822(7) of this
11 title, at the time he or she was graduated;

12 (B) enrolled in his or her first year of study at a postsecondary
13 institution on or after July 1, 2015 and completed an associate’s degree within
14 three years, or a bachelor’s degree within six years of his or her enrollment
15 date;

16 (C) becomes employed on a full-time basis in Vermont within
17 12 months of graduation in an ~~economic sector~~ occupation identified by the
18 Secretary and Commissioner under subdivision (1) of this subsection;

19 (D) remains employed on a full-time basis in Vermont throughout the
20 period of loan forgiveness in an ~~economic sector~~ occupation identified by the
21 Secretary and Commissioner under subdivision (1) of this subsection; and

1 (E) remains a Vermont resident throughout the period of loan
2 forgiveness.

3 (3) Loan forgiveness. An eligible individual shall have a portion of his
4 or her Vermont Student Assistance Corporation loan forgiven as follows:

5 (A) ~~For~~ for an individual awarded an associate's degree, in an
6 amount equal to the comprehensive in-state tuition rate for 15 credits at the
7 Vermont State Colleges during the individual's final semester of enrollment, to
8 be prorated over the three years following graduation.

9 (B) ~~For~~ for an individual awarded a bachelor's degree, in an amount
10 equal to the comprehensive in-state tuition rate for 30 credits at the Vermont
11 State Colleges during the individual's final year of enrollment, to be prorated
12 over the five years following graduation.

13 (C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an
14 otherwise eligible Vermont resident who transfers to ~~and is graduated from~~ a
15 Vermont postsecondary institution and graduates after July 1, 2017, with an
16 associate's degree or after July 1, 2019, with a bachelor's degree.

17 (4) Management.

18 (A) The Secretary of Commerce and Community Development shall
19 develop all organizational details of the Loan Forgiveness Program consistent
20 with the purposes and requirements of this section.

1 (B) The Secretary shall enter into a memorandum of understanding
2 with the Vermont Student Assistance Corporation for management of the Loan
3 Forgiveness Program.

4 (C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25
5 necessary to implement the Program.

6 (c) Vermont Strong Internship Program.

7 (1) Internship Program management.

8 (A) The Commissioner of Labor and the Secretary of Commerce and
9 Community Development shall jointly develop and implement the
10 organizational details of the Internship Program consistent with the purposes
11 and requirements of this section and may adopt rules pursuant to 3 V.S.A.
12 chapter 25 necessary to implement the Internship Program.

13 (B) The Commissioner, in consultation with the Secretary, shall issue
14 a request for proposals for a person to serve as an Internship Program
15 Intermediary, who shall perform the duties and responsibilities pursuant to the
16 terms of a performance contract negotiated by the Commissioner and the
17 Intermediary.

18 (C) The Department of Labor, the Agency of Commerce and
19 Community Development, the regional development corporations, and the
20 Intermediary, shall have responsibility for building connections within the

1 business community to ensure broad private sector participation in the
2 Internship Program.

3 (D) The Program Intermediary shall:

4 (i) identify and foster postsecondary internships that are rigorous,
5 productive, well-managed, and mentored;

6 (ii) cultivate relationships with employers, employer-focused
7 organizations, and State and regional government bodies;

8 (iii) build relationships with Vermont postsecondary institutions
9 and facilitate recruitment of students to apply for available internships;

10 (iv) create and maintain a registry of participating employers and
11 associated internship opportunities;

12 (v) coordinate and provide support to the participating student, the
13 employer, and the student's postsecondary institution;

14 (vi) develop and oversee a participation contract between each
15 student and employer, including terms governing the expectations for the
16 internship, a work plan, mentoring and supervision of the student, reporting by
17 the employer and student, and compensation terms; and

18 (vii) carry out any additional activities and duties as directed by
19 the Commissioner.

20 (2) Qualifying internships.

1 (A) Criteria. To qualify for participation in the Internship Program
2 an internship shall at minimum:

3 (i) be with a Vermont employer as approved by the Intermediary
4 in consultation with the Commissioner and Secretary;

5 (ii) pay compensation to an intern of at least the prevailing
6 minimum wage; and

7 (iii) meet the quality standards and expectations as established by
8 the Intermediary.

9 (B) Employment of interns. Interns shall be employed by the
10 sponsoring employer except, with the approval of the Commissioner on a
11 case-by-case basis, interns may be employed by the Intermediary and assigned
12 to work with a participating Vermont employer, in which case the sponsoring
13 employer shall contribute funds as determined by the Commissioner.

14 (3) Student eligibility. To participate in the Internship Program, an
15 individual shall be:

16 (A) a Vermont resident enrolled in a postsecondary institution in or
17 outside Vermont;

18 (B) a student who graduated from a postsecondary institution within
19 24 months of entering the program who was classified as a Vermont resident
20 during that schooling or who is a student who attended a postsecondary
21 institution in Vermont; or

1 (C) a student enrolled in a Vermont postsecondary institution.

2 (d) Funding.

3 (1) Loan Forgiveness Program.

4 (A) Loan forgiveness; State funding.

5 (i) There is created a special fund to be known as the Vermont
6 Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which
7 shall be used and administered by the Secretary of Commerce and Community
8 Development solely for the purposes of loan forgiveness pursuant to this
9 section.

10 (ii) The Fund shall consist of sums to be identified by the
11 Secretary from any source accepted for the benefit of the Fund and interest
12 earned from the investment of Fund balances.

13 (iii) Any interest earned and any remaining balance at the end of
14 the fiscal year shall be carried forward in the Fund.

15 (iv) The availability and payment of loan forgiveness awards
16 under this ~~subdivision~~ section is subject to State funding available for the
17 awards.

18 (B) Loan forgiveness; Vermont Student Assistance Corporation. The
19 Vermont Student Assistance Corporation shall have the authority to grant loan
20 forgiveness pursuant to this section by using the private loan forgiveness

1 capacity associated with bonds issued by the Corporation to raise funds for
2 private loans that are eligible for forgiveness under this section, if available.

3 (2) Internship Program. Notwithstanding any provision of law to the
4 contrary, the Commissioner of Labor shall have the authority to use funds
5 allocated to the Workforce Education and Training Fund established in
6 10 V.S.A. § 543 to implement the Internship Program created in this section.

7 * * * Tourism and Marketing * * *

8 Sec. 2. TOURISM AND MARKETING INITIATIVE

9 (a) Of the amount by which the meals and rooms tax revenue for fiscal year
10 2016 projected at the January 20, 2015, Emergency Board meeting exceeds the
11 fiscal year 2016 projection for the meals and rooms tax at the July 24, 2014,
12 Emergency Board meeting, up to 15 percent, but not more than \$750,000.00, is
13 appropriated to the Agency of Commerce and Community Development as
14 additional funding for tourism and marketing.

15 (b) The appropriation provided in subsection (a) of this section is
16 contingent on a General Fund surplus at the end of fiscal year 2016 adequate to
17 support the appropriation.

18 * * * Vermont Employment Growth Incentive * * *

19 Sec. 3. 32 V.S.A. § 5930a(c)(2) is amended to read:

20 (2) The new jobs should make a net positive contribution to employment
21 in the area, and meet or exceed the ~~prevailing compensation level including~~

1 ~~wages and benefits, for the particular employment sector~~ livable wage at the
2 time of application, as calculated pursuant to 2 V.S.A. § 505(a)(3). The new
3 jobs should offer benefits and opportunities for advancement and professional
4 growth consistent with the employment sector.

5 Sec. 4. 32 V.S.A. § 5930b is amended to read:

6 § 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

7 (a) Definitions. As used in this section:

8 (1) “Application base number of jobs” means the total number of
9 full-time Vermont jobs, on an annualized basis, held by nonowners at the time
10 of application, including employees that have been laid off or otherwise
11 terminated within six months of the date of application.

12 (2) “Application base payroll” means the total Vermont gross wages and
13 salaries paid to full-time, nonowner employees on an annualized basis at the
14 time of application, including employees who have been laid off or otherwise
15 terminated within six months prior to the date of application.

16 (3) “Authorized award amount” means the amount of the incentive
17 award as determined by the Vermont Economic Progress Council pursuant to
18 this section.

19 (4) “Award period” means the consecutive five years during which a
20 business may add qualifying jobs and qualifying capital investments eligible
21 for employment growth incentives under this section.

1 (5) “Base number of jobs” means the total number of full-time Vermont
2 jobs held by nonowners on an annualized basis.

3 (6) “Base payroll” means the total Vermont gross wages and salaries
4 actually paid to full-time, nonowner employees.

5 (7) “But-for” means the determination of whether, in the absence of the
6 economic incentive sought, the proposed economic development would not
7 occur or would occur in a significantly different and significantly less desirable
8 manner.

9 (8) “Capital investment target” means qualifying capital investment in
10 an award period year as represented on the Vermont employment growth
11 incentive application.

12 (9) “Full-time job” means a permanent position filled by an employee
13 who works at least 35 hours each week.

14 (10) “Incentive percentage” means the percentage applied to qualifying
15 payroll in order to calculate earned incentives.

16 (11) “Incentive ratio,” set at 80 percent, is the percentage applied to the
17 preincentive net fiscal benefit in order to calculate the maximum award that
18 may be authorized under this section.

19 (12) [Repealed.]

1 (13) “Jobs target” means the projected number of new qualifying jobs in
2 an award period year as reported on the Vermont employment growth
3 incentive application.

4 (14) “Net fiscal benefit” means the excess of the present value
5 benefit to the State over the present value cost to the State as calculated by the
6 cost-benefit model.

7 (15) “Nonowner” means an employee with no more than 10 percent
8 ownership interest, including attribution of ownership interests of the
9 employee’s spouse, parents, spouse’s parents, siblings, and children.

10 (16) “Payroll target” means the projected Vermont gross wages and
11 salaries for qualifying jobs in an award period year as reported on the Vermont
12 employment growth incentive application.

13 (17) “Payroll threshold” means expected average industry payroll
14 growth as determined by the cost-benefit model.

15 (18) “Projected average wage” means the total payroll targets divided by
16 the total jobs targets.

17 (19) “Qualifying capital investment” means projected investments in
18 Vermont in new facilities, machinery, and equipment, the value of which is an
19 input to the cost-benefit model in evaluating applications.

20 (20) “Qualifying jobs” means new, full-time Vermont jobs held by
21 nonowners that meet the wage threshold.

1 (21) “Qualifying payroll” means annualized Vermont gross wages and
2 salaries paid for qualifying jobs created in or carried forward to the award
3 period year, provided that:

4 (A) award period year base payroll; minus

5 (B) Vermont gross wages and salaries paid for new qualifying jobs
6 created in or carried forward to the award period year; equals or exceeds

7 (C) prior-year base payroll minus any carry-forward of qualifying
8 payroll under subdivision (c)(4) of this section, plus award-year payroll
9 threshold.

10 (22) “Utilization period” means the period during which incentives can
11 be claimed, and includes each year of the award period plus the four years
12 immediately following each year of the award period.

13 (23) “Vermont gross wages and salaries” means Medicare wages as
14 reported on Federal Tax Form W2 to the extent those wages are Vermont
15 wages, excluding income from nonstatutory stock options.

16 (24) “Wage threshold” means the minimum annualized Vermont gross
17 wages and salaries paid, as determined by the Council, but not less than
18 ~~60 percent above the minimum wage at the time of application, in order for a~~
19 ~~new job to be a qualifying job under this section~~ the livable wage at the time of
20 application, as calculated pursuant to 2 V.S.A. § 505(a)(3).

21 (b) Authorization process.

1 (1) A business may apply to the Vermont Economic Progress Council
2 for approval of a performance-based employment growth incentive to be paid
3 out of the business’s withholding account upon approval by the Department of
4 Taxes pursuant to the conditions set forth in this section. Businesses shall not
5 be permitted to deduct approved incentives from withholding liability
6 payments otherwise due. In addition to any other information that the Council
7 may require in order to fulfill its obligations under section 5930a of this title,
8 an employment growth incentive application shall include all the following
9 information:

- 10 (A) application base number of jobs;
11 (B) total jobs at time of application;
12 (C) application base payroll;
13 (D) total payroll at time of application;
14 (E) jobs target for each year in the award period;
15 (F) payroll target for each year in the award period;
16 (G) capital investment target for each year in the award period; and
17 (H) a statement signed by the president or chief executive officer or
18 equivalent acknowledging that to the extent the applicant fails to meet the
19 minimum capital investment by the end of the award period, any incentives
20 remaining to be earned shall be limited, and any incentives taken shall be

1 subject to complete or partial reversal, pursuant to subdivisions (c)(10) and
2 (11) of this section.

3 (2) The Council shall review each application in accordance with
4 section 5930a of this title, except that the Council may provide for an initial
5 approval pursuant to the conditions set forth in subsection 5930a(c), followed
6 by a final approval at a later date, before December 31 of the calendar year in
7 which the economic activity commences.

8 (3) Except as provided in subdivision (5) of this subsection, the value of
9 the incentives will be dependent upon the net fiscal benefit resulting from
10 projected qualifying payroll and qualifying capital investment. An incentive
11 ratio shall be applied to the net fiscal benefit generated by the cost-benefit
12 model in order to determine the maximum award the Council may authorize
13 for each application it approves. The Council may establish a threshold for
14 wages in excess of, but not less than, the wage threshold, as defined in
15 subsection (a) of this section for individual applications the Council wishes to
16 approve. The Council shall calculate an incentive percentage for each
17 approved application as follows:

18
$$\text{Authorized award amount} \div \text{the five-year sum of all payroll targets}$$

19 (4) An approval shall specify: the application base jobs at the time of the
20 application; total jobs at time of application; the application base payroll; total
21 payroll at time of application; the incentive percentage; the wage threshold; the

1 payroll thresholds; a job target for each year of the award period; a payroll
2 target for each year of the award period; a capital investment target for each
3 year of the award period and description sufficient for application of
4 subdivisions (c)(10) and (11) of this section of the nature of qualifying capital
5 investment over the award period upon which approval shall be conditioned;
6 and the amount of the total award. The Council shall provide a copy of each
7 approval to the Department of Taxes along with a copy of the application
8 submitted by that applicant.

9 (5) Notwithstanding subdivision (3) of this subsection, the Council may
10 authorize incentives in excess of net fiscal benefit multiplied by the incentive
11 ratio ~~not to exceed an annual authorization established by law~~ for awards to
12 businesses located in a labor market area of this State in which the rate of
13 unemployment is greater than the average for the State or in which the average
14 annual wage is below the average annual wage for the State. As used in this
15 subdivision, a “labor market area” shall be as determined by the Department of
16 Labor.

17 (c) Claiming an employment growth incentive.

18 * * *

19 (6)(A) A business whose application is approved and, in the first,
20 second, or third year of the award period, fails to meet or exceed its payroll
21 target and one out of two of its jobs and capital investment targets may not

1 claim incentives in that year. To the extent such business reaches its first,
2 second, or third year award period targets within the succeeding two calendar
3 year reporting periods immediately succeeding year one, two, or three of the
4 award period, or within the extended period if an extension is granted under
5 subdivision (B) of this subdivision (6), whichever is applicable, such business
6 may claim incentives in five-year installments as provided in subdivisions (1)
7 through (4) of this subsection. A business which fails to meet or exceed its
8 payroll target and one of its two jobs and capital investment targets within this
9 time frame shall forfeit all authority under this section to earn and claim
10 incentives for award period year one, two, or three, as applicable, and any
11 future award period years. The Department of Taxes shall notify the Vermont
12 Economic Progress Council that the first, second, or third year award period
13 targets have not been met within the prescribed period, and the Council shall
14 rescind authority for the business to earn incentives for the activity in year one,
15 two, or three, as applicable, and any future award period years.

16 (B) Notwithstanding subdivision (A) of this subdivision (6), upon
17 notification by the Department of Taxes that a business has not reached its first
18 or second year award period targets within the succeeding two calendar year
19 reporting periods, the Vermont Economic Progress Council may review the
20 circumstances that caused the business to fail to meet the targets within the
21 required time period. If the Council determines that there is a reasonable

1 likelihood that the business will meet the award period targets, the Council
2 may extend the period to meet the targets for another two reporting periods,
3 reviewed annually, for award year one, and one reporting period for award
4 year two.

5 * * *

6 (h) Enhanced training incentive. Notwithstanding any provision of law to
7 the contrary, the Council may award an enhanced training incentive as follows:

8 (1) A business whose incentive application is approved may elect to
9 claim an enhanced training incentive at any time during the award period by:

10 (A) notifying the Council of its intent to pursue an enhanced training
11 incentive and dedicate its incentive funds to training through the Vermont
12 Training Program; and

13 (B) applying for a grant from the Vermont Training Program to
14 perform training for new employees who hold qualifying jobs.

15 (2) If the business successfully completes new employee training
16 pursuant to the terms of its training grant and uses incentive funds to cover a
17 25 percent share of the training costs, the Agency of Commerce and
18 Community Development shall disburse grant funds for on-the-job training of
19 not more than 75 percent of wages for each employee in training, or not more
20 than 75 percent of trainer expense upon successful completion of training
21 hours.

1 (3) The Department of Taxes shall reimburse the Agency for 25 percent
2 of the wages or trainer expense incurred by the Vermont Training Program
3 pursuant to subdivision (2) of this subsection.

4 (4) If the business successfully completes its training and meets or
5 exceeds its payroll target and either its jobs target or capital investment target,
6 the Council shall approve the enhanced training incentive and notify the
7 Department of Taxes.

8 (5) Upon notification by the Council, the Department of Taxes shall
9 disburse the full remaining value of the business's incentive, less the value of
10 the reimbursement to the Vermont Training Program for training expenses
11 pursuant to subdivision (3) of this subsection.

12 (6)(A) If, during the utilization period for the incentive paid pursuant to
13 this subsection (h), the business fails to maintain the qualifying jobs or
14 qualifying payroll established in the award year, or does not reestablish
15 qualifying jobs or qualifying payroll to 100 percent of the award year level, the
16 Department of Taxes shall recapture the enhanced incentive pursuant to
17 subsection (d) of this section.

18 (B) The amount of recapture shall equal the sum of the installments
19 that the Department would have disbursed if it had paid the incentive in
20 five-year installments pursuant to subdivision (c)(2) of this section for the

1 years during the utilization period that the qualifying jobs or qualifying payroll
2 were not maintained.

3 (i) Employment growth incentive for value-added business.

4 (1) As used in this subsection, a "value-added business" means a person
5 that is subject to income taxation in Vermont and whose current or prospective
6 economic activity in Vermont for which incentives are sought under this
7 section is certified by the Secretary of Commerce and Community
8 Development to be primarily in one or more of the following sectors:

9 (A) production of tangible products, other than real estate; or

10 (B) information processing or information management services,

11 including:

12 (i) computer hardware or software, and information and
13 communication technologies, such as high-level software languages, graphics
14 hardware and software, speech and optical character recognition, high-volume
15 information storage and retrieval, and data compression;

16 (ii) technological applications that use biological systems, living
17 organisms or derivatives thereof, to make or modify products or processes for
18 specific use;

19 (iii) custom computer programming services, such as writing,
20 modifying, testing, and supporting software to meet the needs of a particular
21 customer;

1 (iv) computer systems design services such as planning and
2 designing computer systems that integrate computer hardware, software, and
3 communication technologies;

4 (v) computer facilities management services, such as providing
5 on-site management and operation of clients' computer systems and/or data
6 processing facilities.

7 (2) Any application for a Vermont employment growth incentive under
8 this section for a value-added business shall be considered and administered
9 pursuant to all provisions of this section, except that:

10 (A) the "incentive ratio" pursuant to subdivision (a)(11) of this section
11 shall be set at 90 percent; and

12 (B) the "payroll threshold" pursuant to subdivision (a)(17) of this
13 section shall be deemed to be 20 percent of the expected average industry
14 payroll growth as determined by the cost-benefit model.

15 (j) Overall gross cap on total employment growth incentive and education
16 tax incentive authorizations.

17 (1) For any calendar year, the total amount of employment growth
18 incentives the Vermont Economic Progress Council is authorized to approve
19 under this section and property tax stabilizations under 32 V.S.A. § 5404a(a)
20 shall not exceed \$10,000,000.00 from the General Fund and Education Fund
21 combined each year.

1 (2) This maximum annual amount may be exceeded by the Vermont
2 Economic Progress Council upon application to and approval by the
3 Emergency Board.

4 Sec. 5. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

5 Sec. 11. ~~VEGI; ANNUAL CALENDAR YEAR CAPS~~

6 ~~(a) Net negative awards cap. Notwithstanding any other provision of law,~~
7 ~~in any calendar year, the annual authorization for the total net fiscal cost of~~
8 ~~Vermont employment growth incentives that the Vermont economic progress~~
9 ~~council or the economic incentive review board may approve under 32 V.S.A.~~
10 ~~§ 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

11 ~~(b) Restrictions to labor market area. Employment growth incentives within~~
12 ~~the annual authorization amount in subsection (a) of this section shall be~~
13 ~~granted solely for awards to businesses located in a labor market area of this~~
14 ~~state in which the rate of unemployment is greater than the average for the~~
15 ~~state or in which the average annual wage is below the average annual wage~~
16 ~~for the state. For the purposes of this section, a “labor market area” shall be as~~
17 ~~determined by the department of labor.~~

18 ~~(c) Overall gross cap on total employment growth incentive and education~~
19 ~~tax incentive authorizations. For any calendar year, the total amount of~~
20 ~~employment growth incentives the Vermont economic progress council or the~~
21 ~~economic incentive review board is authorized to approve under 32 V.S.A.~~

1 ~~§ 5930b and property tax stabilizations and allocations under 32 V.S.A.~~
2 ~~§ 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and~~
3 ~~education fund combined each year. This maximum annual amount may be~~
4 ~~exceeded by the Vermont economic progress council upon application to and~~
5 ~~approval by the Emergency Board. [Repealed.]~~

6 Sec. 6. 10 V.S.A. § 531(d) is amended to read:

7 (d) In order to avoid duplication of programs or services and to provide the
8 greatest return on investment from training provided under this section, the
9 Secretary of Commerce and Community Development shall:

10 (1) consult with the Commissioner of Labor regarding whether the
11 grantee has accessed, or is eligible to access, other workforce education and
12 training resources;

13 (2) disburse grant funds only for training hours that have been
14 successfully completed by employees; provided that, except for an award
15 under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a
16 grant for on-the-job training shall either provide not more than 50 percent of
17 wages for each employee in training, or not more than 50 percent of trainer
18 expense, but not both, and further provided that training shall be performed in
19 accordance with a training plan that defines the subject of the training, the
20 number of training hours, and how the effectiveness of the training will be
21 evaluated; and

1 (3) use funds under this section only to supplement training efforts of
2 employers and not to replace or supplant training efforts of employers.

3 Sec. 7. 10 V.S.A. § 280bb is amended to read:

4 § 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

5 (a) There is created the Vermont Entrepreneurial Lending Program to be
6 administered by the Vermont Economic Development Authority. The Program
7 shall seek to meet the working capital and capital-asset financing needs of
8 Vermont-based businesses in seed, start-up, and growth stages. The Program
9 shall specifically seek to fulfill capital requirement needs that are unmet in
10 Vermont, including:

11 (1) loans up to \$100,000.00 to ~~manufacturing businesses and~~ software
12 developers with innovative products that typically reflect long-term, organic
13 growth;

14 (2) loans up to \$1,000,000.00 in growth-stage companies that do not
15 meet the underwriting criteria of other public and private entrepreneurial
16 financing sources; ~~and~~

17 (3) loans to businesses that are unable to access adequate capital
18 resources because the primary assets of these businesses are typically
19 intellectual property or similar nontangible assets; and

20 (4) loans to advanced manufacturers and other Vermont businesses for
21 product development, intellectual property design, and capital requirements.

1 (b) The Authority shall adopt regulations, policies, and procedures for the
2 Program as are necessary to increase the amount of investment funds available
3 to Vermont businesses whose capital requirements are not being met by
4 conventional lending sources.

5 (c) When considering entrepreneurial lending through the Program, the
6 Authority shall give additional consideration and weight to an application of a
7 business whose business model and practices will have a demonstrable effect
8 in achieving other public policy goals of the State, including:

9 (1) The business will create jobs in strategic sectors such as the
10 knowledge-based economy, renewable energy, advanced manufacturing, wood
11 products manufacturing, and value-added agricultural processing.

12 (2) The business is located in a designated downtown, village center,
13 growth center, industrial park, or other significant geographic location
14 recognized by the State.

15 (3) The business adopts energy and thermal efficiency practices in its
16 operations or otherwise operates in a way that reflects a commitment to green
17 energy principles.

18 (4) The business will create jobs that pay a livable wage and significant
19 benefits to Vermont employees.

20 (5) The business will create environmental benefits or will manufacture
21 environmentally responsible products.

1 (d) In addition to considering the factors in subsection (c) of this section,
2 the Authority shall give preference in its lending decisions to Vermont-based
3 manufacturers that are adversely impacted by the State’s regulation or a State
4 ban of manufactured products. The Authority shall provide Program funding
5 to assist these businesses as they transition from the manufacture of the
6 regulated or banned products to the design and manufacture of
7 environmentally sound substitutes.

8 (e) The Authority shall include provisions in the terms of a loan made
9 under the Program to ensure that a loan recipient shall maintain operations
10 within the State for a minimum of five years from the date on which the
11 recipient receives the loan funds from the Authority or shall otherwise be
12 required to repay the outstanding funds in full.

13 Sec. 8. EFFECTIVE DATES

14 This act shall take effect on July 1, 2015, except, notwithstanding 1 V.S.A.
15 § 214, Secs. 3–6 (Vermont Employment Growth Incentive provisions) shall
16 take effect retroactively as of January 1, 2015.

17

18 (Committee vote: _____)

19

20

21

Representative _____

FOR THE COMMITTEE