



I'm Bob Flint, Executive Director of Springfield Regional Development Corporation and the Chair of the 12 RDC's of Vermont. On behalf of the RDC's, I am speaking in support of the proposed changes to the VEGI program within the draft House version of S.138.

VEGI is the biggest tool in the economic development tool box in our regions and we support the proposed changes in what's been passed by the Senate with the additions of what's been proposed for tweaking the eligibility criteria for LMA's with higher than state average unemployment, as well as putting the expansion of the "value added" VEGI back into this version of the bill

As the members of the Commerce committee may remember, when they visited Springfield this winter, we talked about the challenges we've been dealing with related to socioeconomic conditions intertwined with substance abuse and distribution. The events of last weekend have raised all of this again and yesterday's meeting of the Project ACTION group led to a discussion at this morning's WIB meeting about the need to develop employment opportunities for people in need.

The VEGI program is something that is a critical piece of an expansion or relocation package that we work with ACCD/DED and other partners in putting together for a company. It's not the only piece, but it's usually one of the most important. This "piece" is something that a company only receives, over time, if they actually do what they say they're going to do. The process of receiving a VEGI award is significant, with a variety of checks and balances along the way. And the award is not actually dispersed until tax returns are filed to confirm the actions of the company, to prove they did what they said they were going to do.

The proposal to expand the value-added VEGI incentives ties directly to the strategic importance of advanced manufacturing and IT to the state's economy. These are both sectors that are dollar importers, bringing value to the state with strong high paying jobs with companies that are some of the most important economic drivers. The state will still have a strong positive net return from the result of these projects and it will help to build these key areas throughout the state.

The wage adjustment for LMA's simply would acknowledge the challenges in creating employment in regions of the state that continue to struggle. It will help to make the tool of VEGI a bit more useful by expanding the base of jobs that could be included in an application. The reality is that, in most cases, it's still going to be a small percentage of the overall job creation of a project, but it could be enough to make it

worthwhile for the company to move forward with the project – and by doing so, creating new jobs for Vermonters.

This session has understandably been focused on the economic challenges of the state, but this presents an opportunity to help drive revenue growth in all areas of the state without an increased expenditure by making logical tweaks to an existing program.

As always, thank you for the opportunity to share our thoughts on this issue and thank you for your continued service to Vermont. Please let me know if there's any other information we can provide to the committee.

Bob Flint
Chair – RDC's of Vermont