



**STATE OF VERMONT**  
GENERAL ASSEMBLY  
HOUSE COMMITTEE ON COMMERCE  
AND ECONOMIC DEVELOPMENT

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**MEMORANDUM**

To: Rep. Kitty Toll, Chair, House Committee on Appropriations  
From: Rep. Bill Botzow, Chair, House Committee on Commerce and Economic  
Development  
Date: February 20, 2018  
Subject: Review of Provisions in the Governor's Proposed FY 2019 Budget

On behalf of the Committee on Commerce and Economic Development, I sincerely thank you and the Committee on Appropriations for the opportunity to review the provisions of the Governor's proposed FY 2019 Budget that fall under the policy jurisdiction of this Committee.

In response to your request, we respectfully submit the following comments concerning the relevant sections:

**Sec. A.107. NEW POSITIONS**

Last year the position of Career Pathways Coordinator within the Agency of Education was created as a two-year limited service position. The Committee recommends that this limited service position be converted to a full-time classified position, provided that the Coordinator has the appropriate authority, and sufficient reporting authority to upper management within the Agency, to effectively fulfill the Coordinator's duties.

Committee vote: 8-2-1

**Sec. B.1100. NEXT GENERATION; APPROPRIATIONS AND TRANSFERS**

In general, the Committee strongly supports the use of State funding for workforce education and training. However, the Committee also finds that the Next Generation Fund concept may have lost its focus and would benefit from a review of the purposes of the original Next Generation Commission report and a holistic analysis of this funding stream.

Committee vote: 10-0-1

As to specific appropriations:

**(a)(1)(A). Workforce Education and Training Fund (\$350,000).** The Committee notes that the reference to the program created in 10 V.S.A. § 544 should be to the “Vermont Strong Internship Program” rather than the former Vermont Career Internship Program. Furthermore, the Committee’s workforce development bill would expand the program to become the “Vermont Strong Internship and Returnship Program.”

The Committee understands that the Governor’s proposal in (a)(1)(A) is to allocate \$250,000 for internships and \$100,000 for returnships. The Committee finds that the internship program is highly successful, and funding should not be diverted from internships to enable the creation of returnships. Rather, the Committee recommends that the full amount of \$350,000 be dedicated to continuing support for internships, and that an additional \$100,000 be provided for returnships, for a total appropriation of \$450,000.

Committee vote: 10-0-1

**(a)(1)(B). Adult Career Technical Education Programs (\$360,000).** The Committee finds that this funding is essential and important. Funding at this level is flat and not necessarily responding to current or evolving needs. Please note that the reference to the “State Workforce Investment Board” should be to the “State Workforce Development Board.”

The Committee finds that the adult career technical education programs distributed throughout the State are not uniform and that the system will benefit from a holistic analysis of how it functions, what barriers to access exist in different regions of the State, and what the current opportunities and challenges are. This analysis should be informed by more extensive data collection. The Committee will address such an analysis in its workforce development bill and looks forward to the State Workforce Development Board’s work on this subject.

Committee vote: 9-1-1

**(a)(1)(C). UVM/VCET patent development and commercialization (\$200,000).**

**VCET (\$100,000).** The Committee supports this continued funding. The amount is accurate, and the results are uniformly successful.

Committee vote: 10-0-1

**UVM Tech Transfer (\$100,000).** The Committee supports continued funding but notes the concern that there is insufficient data at this point to fully evaluate the efficacy of this investment.

Committee vote: 9-1-1

**(a)(2)(A). Large animal veterinarians' loan repayment (\$30,000).** The Committee supports continued funding at this level and finds that the repayment program is important. However, the Committee would also continue to emphasize that the Agency of Agriculture, Food and Markets should continue to seek opportunities to leverage additional funding.

Committee vote: 10-0-1

**(a)(3)(A). Non-degree VSAC grants (\$494,500).** The Committee supports these grants and would support an increase if additional funds were available. The Committee supports increasing the use of funding for adult technical education and recommends that the second full sentence be amended to read:

These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including with equal emphasis on adult technical education that is not part of a degree or accredited certificate program.

Committee vote: 10-0-1

**(a)(3)(B). National Guard Educational Assistance (\$150,000).** The Committee supports funding for this purpose at this level. The Committee understands that a working group and other committees are evaluating additional funding proposals and, though it takes no position on those proposals at this time, is interested in the outcome.

Committee vote: 10-0-1

**(a)(3)(C). Dual enrollment programs and need-based stipend (\$630,000).** The Committee supports funding for this purpose at this level. The Committee understands that VSAC requests additional funding of \$10,000 for need-based stipends and would support this addition if funds were available.

Committee vote: 10-0-1

### **Sec. B.1100.1. DEPARTMENT OF LABOR RECOMMENDATION FOR FY 2020 NEXT GENERATION FUND DISTRIBUTION**

Please note that the template language should be updated to reflect the change in the name of the Board to the "State Workforce Development Board." The Committee supports the consensus mechanism for recommending the distribution of Next Generation funds. However, the timeline of the proposal should ensure meaningful opportunity for the Board to engage with the administration in advance of the budgeting process. The Board should be engaged, and the recommendation should be developed, no later than December 1, 2018, and the Committee would support an earlier timeframe.

Committee vote: 9-1-1

**Sec. B.1100.1. FISCAL YEAR 2019 ONE-TIME GENERAL FUND APPROPRIATIONS**

**(d) Vermont College Graduate Placement and Small Business Recruitment Initiative**

**(\$100,000).** The Committee has had the opportunity to review the policy proposal for this initiative and supports funding as proposed. The Committee intends to further refine the details and specific legislative language for the proposal.

Committee vote: 10-0-1

**Sec. D.101. FUND TRANSFERS, REVERSIONS, AND RESERVES**

**(a)(5) DFR Funds; “Smoothing Mechanism”**

This subdivision implements the discontinuation of the “smoothing mechanism” adopted in last year’s budget. The Committee notes that issues of fiscal policy generally are within the jurisdiction of the Committee on Appropriations, but on the specific question of whether to discontinue the “smoothing mechanism” as proposed, a majority of the Committee on Commerce and Economic Development opposes the proposal.

Committee vote: 7-3-1

**Sec. E.114. 29 V.S.A. § 169(b); Brochure Distribution Special Fund**

The Committee interprets the proposed language to allow the Department of Buildings and General Services to use brochure distribution fees to pay for operations and maintenance of State travel information centers. The Committee does not support this change, and finds that operations and maintenance are more appropriately characterized as capital costs. Furthermore, the Committee would support a realignment of authority over marketing information offered in State travel information centers, and the fees collected pursuant to this section of law, to the Agency of Commerce and Community Development, which has been vested with the duty and authority over tourism marketing and economic development marketing.

Committee vote: 10-0-1

**Sec. E.215. Military – Administration (\$890,000).** This section appropriates funds to VSAC for the National Guard Tuition Benefit Program. The Committee understands that a working group is evaluating this proposal and takes no position at this time.

Committee vote: 10-0-1

**Secs. E.600; E.602. UVM and Vermont State Colleges.** The Committee supports these provisions as written.

Committee vote: 10-0-1

**Secs. E.605; E.605.1. Vermont Student Assistance Corporation.** The Committee supports these provisions as written.

Committee vote: 10-0-1

**Sec. E.800. ACCD; ThinkVermont Growth and Innovation Initiative (\$400,000).**

The Committee notes that this is all new funding and recommends that, with the exception of \$25,000 now included in H.620, that the request be placed on the “wish list” while policy discussions transpire. The Committee must thoroughly review these proposals and understand the needs in these areas. Although the proposal is potentially supportable, other than the \$25,000 included in H.620, the Committee takes no position on this funding pending further review.

Committee vote: 10-0-1

**Sec. E.802. DHCD; Outdoor Recreation [VOREC] (\$100,000).**

The Committee has taken testimony on this proposal generally, but notes that it is not currently included in any House bill and the Committee does not take a position.

Committee vote: 10-0-1

**Sec. E.808. Vermont Council on the Arts; BGS.**

The Committee finds that this language is necessary to ensure that the Council maintains its funding and supports this provision as written.

Committee vote: 10-0-1

**Secs. F.1; F.2; Vermont Center for Geographic Information.**

The Committee finds that this language includes necessary technical corrections and supports the provisions as written.

Committee vote: 10-0-1

### **Other Funding Proposals**

**ThinkVermont Initiatives (\$2.4m – \$3.18m).** Following a preliminary review, the Committee needs to more thoroughly review the “Move” initiative and intends to submit a proposal of how available funding should be allocated.

Committee vote: 10-0-1

**State Workforce Development System.** The Committee is in the process of considering the policy proposals involving a State Workforce Development Board public engagement process and a multi-year effort to modernize the workforce development system. The Committee is prepared to consider the resources necessary to ensure that the Board’s work in this area is fulfilled and effective.

Committee vote: 10-0-1

**Tech Centers; Equipment.** The Committee is aware of a \$500,000 proposal for equipment for regional technical centers and will provide recommendations in this area.

Committee vote: 10-0-1

**Other proposals.** The Committee is further aware that there are other legislative and stakeholder proposals, e.g., funding for microbusiness, that are not currently in the budget and that are still under consideration.

Committee vote: 10-0-1