



STATE OF VERMONT
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HOUSE COMMITTEE ON APPROPRIATIONS

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MEMORANDUM

To: Representative Bill Botzow, Chair, House Committee on Commerce & Economic Development

From: Representative Kitty Toll, Chair, House Committee on Appropriations

Date: February 7, 2017

Subject: Provisions in the Governor's Proposed FY 2018 State Budget

The House Appropriations Committee has started work on the Governor's proposed FY 2018 State Budget bill and would like to inform you about proposals related areas of your subject area. A summary of these areas is listed on page 2 followed by the excerpts from the Administration proposed language.

The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you do not wish to comment on any of the issues sent to your committee, please send a quick e-mail or note to the Committee through Theresa Utton-Jerman at tutton@leg.state.vt.us or the reporter of the subject area. If you would like to respond, it would be helpful if you could do so by the end of the day on March 1st. As a note, the Committee understands that there may be unanticipated policy changes after the deadline that may require additional discussions and recommendations by policy committees and we encourage those. Please keep the Committee apprised of any updates to earlier recommendations, through the reporter or Chair, as they develop.

There are several House Appropriations Committee budget reporters for these subject areas, please click [here](#) to review the list or go to the highlights section of the committee's webpage. If you have not already done so, please notify Theresa who your committee's budget liaison/s is for coordination and communications between the two committees.

Summary of Budget Review Sections

Language proposals:

- appropriations in the Agency of Commerce Community Development for developing and launching a marketing campaign in Sec. B1101, \$750,000, and an additional amount of \$200,000 is appropriated in (b) of this section to increase training for trade jobs;
- the transfer of funds to the Next Generation Initiative Fund for programs created previously, and in addition, there is an increase of \$500k to the National Guard Scholarship program in Sec. D.101;
- the allocation of innovation grant funds in Sec. E.517;
- a change in how the Vermont State Colleges are funding in Sec. E.602; and
- an annual appropriation increase to the Vermont State Colleges that includes a report on how the funding would create high-wage, high-growth jobs in Sec. 602.0.1.

Budget Review Sections:

Sec. B.1101 FISCAL YEAR 2018 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) The sum of \$750,000 is appropriated to the Secretary of Commerce and Community Development for developing and launching a marketing campaign.

(1) The funds in appropriated in the section shall be used to:

(A) build on Vermont's successful branding and marketing efforts surrounding tourism, recreation, and the working lands;

(B) expand the Vermont brand to attract entrepreneurs and would-be entrepreneurs to Vermont;

(C) advance attributes of innovation, tech and digital economy, and energy leadership in Vermont; and

(D) connect entrepreneurs with the career aspirations of young Vermonters.

(2) The funds appropriated in this section may be matched with federal funds, special funds, grants, donations, and private funds.

(3) The Secretary shall establish performance measures that support the strategic priority of strengthening the state economy before disbursing these funds.

EXPLANATION: One-time appropriation to be used to attract more workers to the state through Economic Development Marketing.

(b) The sum of \$200,000 is appropriated to the Secretary of Commerce and Community Development for the Vermont Training Program. These funds shall be targeted to support training in the trades including, but not limited to, electricians, carpenters, plumbers, pipefitters, welders, heavy equipment operators, automotive service technicians, aviation technicians, fuel/electrical systems technicians, tool and die makers, industrial mechanics, precision metal fabricators, and horticulturalists. These funds shall be administered by the Vermont Training Program.

EXPLANATION: Onetime appropriation to increase training for occupations in the trades.

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

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$3,409,900.

EXPLANATION: Transfer funds to the Next Generation to continue prior year programs and increase the funding for the National Guard Scholarship program by \$500K.

Sec. E.517 Innovation Grants

(a) Of this appropriation, \$1,600,000 from the Education Fund shall be to support education innovation grants. Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$500,000 is appropriated to the Secretary of Education to establish annual classroom innovation grants for educators teaching students from pre-kindergarten through high school. The Secretary shall establish criteria for these competitive grants to award and promote innovative thinking in the classroom. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(2) \$500,000 is appropriated to the Secretary of Education to establish annual management and modernization grants to assist school boards and school management with training opportunities, technology upgrades, and expertise in school efficiency and consolidation, plus assistance with instituting best practices in special education. The Secretary shall establish criteria for these grants to assist districts with expert consulting services, like those currently provided by District Management Council, which have already identified successful strategies for doing better with less. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(3) \$250,000 is appropriated to the Secretary of Education to establish school technology and connectivity grants funding to help schools advance a vision for technology-supported education. Resources can support either the cost of upgrading to higher speed internet access or funding plans to use technology to support better operations or transformational practices.

(A) The Secretary shall establish criteria for these competitive grants, which shall include, but not limited to:

(i) school participation in the FCC's E-Rate program; and

(ii) school internet speeds less than 25 mbps,

(B) These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(d) \$200,000 is appropriated to the Secretary of Education to establish code camp grants for elementary and middle school students to encourage science, technology, engineering, and mathematics (STEM) education at an early age. The Secretary shall establish criteria for these grants. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(e) \$150,000 shall be used to fund Agency of Education efforts to boost Career and Technical Education.

EXPLANATION: Allocation of innovation grant funds.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Funding for the Vermont State Colleges shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

(1) Of this appropriation, \$427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(2) Of this appropriation, \$4,000,000 shall be used to make access to college more affordable for Vermonter and to continue building Vermont's workforce.

EXPLANATION: Mostly standard language for the Vermont State Colleges. Part (b) – new – allows VSC to receive funding from the education fund and part (b)(1) – new – adds an additional \$4M VSC.

Sec. E.602.0.1 ANNUAL APPROPRIATION INCREASE FOR THE VERMONT STATE COLLEGES; REPORT

(a) Beginning in fiscal year 2019, the General Assembly shall annually increase the appropriation for the Vermont State Colleges by the mean of the prior six years of nominal average wage growth in Vermont.

(b) In order to receive this annual increase the Vermont State Colleges shall:

(1) hold student tuition increase at or below the mean of the prior six years of nominal average wage growth in Vermont in fiscal years, 2019, 2020 and 2021;

(2) establish the following performance indicators throughout the Vermont State College System:

(A) increase the number of Vermonters earning credentials of value;

(B) improve on-time degree completion; and

(C) increase the number of first generation Vermont college graduates.

(D) The Vermont State Colleges shall distribute these funds to each state college using a formula based on the performance indicators lists above.

(3) continue to drive efficiency efforts to reduce operating expenses and grow its student population.

(c) The Chancellor of the Vermont State Colleges shall provide report to the General Assembly on or before January 15th of each year. The report shall include:

(1) the current financial performance and outlook for the Colleges;

(2) details on how degree and nondegree programs that align with high-wage, high-growth jobs in Vermont for the decade ahead.

EXPLANATION: This language outlines the annual increase for the Vermont State Colleges and the reporting requirements to continue receiving the appropriation.