



FY2021
RESTATEMENT
BUDGET

**Agency of Commerce and
Community Development**

AUGUST 2020

SECRETARY
Lindsay Kurrle

DEPUTY SECRETARY
Ted Brady

Agency of Commerce & Community Development FY 2021 Restatement Budget

MISSION: To help Vermonters improve their quality of life and build strong communities.

The Agency is engaged in activities that generate revenue to the State general fund. Our work with existing and new businesses, downtowns and communities, marketing the state for tourism, preservation of the Vermont brand and what makes us special, is all part of what generates income to state government. We are the income side of the state general ledger. Investments in ACCD are investments in income generating activity.

SUMMARY & HIGHLIGHTS

- Total ACCD staff 80
- Total Base General Fund Reduction: -\$397,314

General Fund One Times, \$2,100,000:

- | | |
|----------------------------------|--------|
| • Equity Stimulus Program | \$2M |
| • Public Access Television Study | \$100K |

Tax Credit Proposals, Foregone Revenue (GF), \$2,700,000:

- | | |
|-----------------------------------------|--------|
| • Downtown Village Tax Credit Expansion | \$1.3M |
| • Military Retirement Income | \$1.4M |

CRF One Times, \$133,000,000:

- | | |
|-----------------------------------------------|-------|
| • Business Grant Program | \$23M |
| • Consumer Stimulus Buy Local Program | \$50M |
| • Economic Development & Marketing for VT | \$10M |
| • Targeted Hospitality & Tourism Grants Funds | \$50M |

Joint Fiscal Committee Requests, \$9,500,000:

- | | |
|------------------------------------------------|---------|
| • Coronavirus Relief Fund Administrative Costs | \$750K |
| • Better Places, Safer Spaces | \$2.5M |
| • Designated Downtown Orgs | \$1.25M |
| • Municipal Facilities Programs | \$5M |
| | \$9.5M |

General Fund Proposals

One-Times \$2,100,000:

- **Equity Stimulus Program (\$2M, GF One-time)**

A state-level relief fund of \$2M, to create parity for all Vermonters by providing \$1200 to each adult and \$500 for each child who was excluded from receiving CARES Act economic stimulus payments due to immigration status. We estimate this population to be approximately 5,000 eligible Vermonters (up to 4,000 adults & up to 1,000 children). This includes U.S. Citizens, people legally present like students, asylum recipients who have not received work authorizations yet, and undocumented Vermonters. This has also been done successfully in California, another state that recognizes the population's value to their culture & their agricultural sector. VT will be a leader on this.

- **Public Access Television Study (Per H.966, \$100k, GF One-time)**

Per H.966 the Agency of Commerce and Community Development was required to *“retain a consultant to review the current business model for Vermont Public, Educational, and Governmental Access (PEG) television channels and provide recommendations concerning how to ensure the future financial stability and viability of PEG channels.”* Additionally, the Agency was directed to *“identify available funding sources to support the study required by this section, including Coronavirus Relief Fund monies for distance learning, public health and safety communications, and online State and local governmental activities during the COVID-19 public health emergency.”*

It was determined that CRF monies could not be used to fund a consultant, or the required report – nor was money available in Agency's existing budget. Because of this, the Administration is asking for \$100,000 to be allocated for the purpose of this study and effort.

Tax Credit Proposals, Foregone Revenue \$1,300,000:

- **Expansion of the Downtown Village Tax Credit Program (\$1.3M, Foregone Revenue)**

This July, and despite COVID-19, the Downtown Board received a record breaking 52 applications (43 last year) requesting over \$5 million in funding.

The board was able to fund 30 requests supporting \$160 million in investments in the long-term vitality of our downtowns and village centers. \$2 Million in requests went unfunded. The types of projects funded ranged from village stores to small scale rental housing rehabs to multi-million-dollar downtown redevelopments.

ACCD CRF Spending Proposals- \$133M

Expanded Business Grant Program (\$23M, CRF)

Through the creation and administration of the current Emergency Economic Grants Program the Tax Department and ACCD have identified several “gaps” in terms of businesses who weren’t able to access financial relief. Several Legislators have contacted the Department and Agency with examples in their own communities of businesses who are seeking relief – and the \$23 million in additional grant funding is specific to address those unserved businesses. The proposed changes include:

- **Revenue Loss Changes:** Pursuant to Act 115 and 137, a business has to prove revenue loss of 50% or more in any given month in 2020 as compared to 2019. **The Agency and Department would like to extend financial relief to businesses who have suffered between 30%-50% loss over a sustained period of time (3 months).** Many businesses who applied, and denied, were just under the 50% threshold.
- **Relief for Sole Proprietors:** The current grant program only offers financial relief for sole proprietor businesses that are woman-owned. They’d like to open that up to every sole proprietor.
- **Non-Profit Relief:** A lot of non-profits in communities were deemed ineligible because they have unique revenue situations – ACCD has heard from several, small non-profits on the brink of closing because of a technicality in the legislation.
- **Financial Relief for “Even Newer” Businesses:** New businesses that formed after March 1, 2019 were ineligible for grants. Pursuant to Act 115 and Act 137, businesses have to show previous year’s revenue losses. Many new businesses have suffered and continue to suffer.

Expansion of Consumer Stimulus (\$50M, CRF)

ACCD was authorized to spend \$500,000 on a consumer stimulus proposal pursuant to Act 137. We are proposing to expand that current program with an additional \$50 million. This will put \$150 of spending power into over 300k households in Vermont, while directly benefitting our local businesses.

Economic Development Marketing (\$10M, CRF)

A bold media campaign that, within the context of COVID-19, leverages social capital, earned and owned media to bring more revenue to Vermont.

Strategies include:

- 1) Bring visitors from safe regions to Vermont for foliage and winter,
- 2) Target Vermonters to buy local products and increase purchase of Vermont products
- 3) Encourage people to consider relocating to Vermont, the safest and healthiest place in the U.S. to live, work and play.

Targeted Hospitality and Tourism Grant Funds (\$50M, CRF)

Tourism and hospitality businesses are going to continue to suffer through the winter due to tourism and travel being constricted and restricted. This proposal will provide supplemental grants of \$50 million for these vulnerable businesses that will be deployed through the beginning of December to sustain businesses through any winter month revenue downturns.

Fiscal Year 2021 Budget Development Addendum - ACCD - Administration

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 ACCD-Administration: FY 2021 Governor Recommend	3,285,831	0	391,000	0	3,676,831
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 72)	0	0	0	0	0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	3,285,831	0	391,000	0	3,676,831
Internal Service Fees -Workers Comp 5% reduction	(441)				(441)
Total Personal Services Change	(441)	0	0	0	(441)
National Life Rent reduction	(20,000)				(20,000)
ADS -Portal position-our share AI eliminated	(65,000)				(65,000)
Internal Service Fees- ADS Allocated Fee, Insurances, VISION, HR 5% reduction	(9,399)				(9,399)
Operating reduction -travel, sponsorships, registrations, misc, net	(19,451)				(19,451)
Total Operating Change	(113,850)	0	0	0	(113,850)
UVM Data Center grant elimination	(50,000)				(50,000)
Total Grants Change	(50,000)	0	0	0	(50,000)
					0
Subtotal of Increases/Decreases	(164,291)	0	0	0	(164,291)
FY 2021 Governor Recommend Addendum	3,121,540	0	391,000	0	3,512,540
ACCD-Administration FY 2021 Governor Recommend	3,285,831	0	391,000	0	3,676,831
TOTAL INCREASES/DECREASES	(164,291)	0	0	0	(164,291)
ACCD-Administration FY 2021 Governor Recommend Addendum	3,121,540	0	391,000	0	3,512,540

Fiscal Year 2021 Budget Development Addendum - Department of Housing and Community Development

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Department of Housing & Community Development: FY 2021 Governor Recommend	2,938,012	5,329,955	8,164,967	2,876,286	19,309,220
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 72)					0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	2,938,012	5,329,955	8,164,967	2,876,286	19,309,220
					0
General Fund Salary Reduction	(141,862)				(141,862)
ISF - Workers Comp 5% reduction	(887)		(8)		(895)
Total Personal Services Change	(142,749)	0	(8)	0	(142,757)
					0
					0
ISF - Allocated Fee, VISION, Insurances 5% reduction	(4,152)		(913)		(5,065)
Retain Federal Spending authority to match awards			921		921
Total Operating Change	(4,152)	0	8	0	(4,144)
Subtotal of Increases/Decreases	(146,901)	0	0	0	(146,901)
FY 2021 Governor Recommend Addendum	2,791,111	5,329,955	8,164,967	2,876,286	19,162,319
Department of Housing & Community Development: FY 2021 Governor Recommend	2,938,012	5,329,955	8,164,967	2,876,286	19,309,220
TOTAL INCREASES/DECREASES	(146,901)	0	0	0	(146,901)
Department of Housing & Community Development: FY 2021 Governor Recommend Addendum	2,791,111	5,329,955	8,164,967	2,876,286	19,162,319

Fiscal Year 2021 Budget Development Addendum - Department of Economic Development

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Department of Economic Development: FY 2021 Governor Recommend	4,958,161	1,945,350	3,518,769	45,000	10,467,280
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 72)					0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	4,958,161	1,945,350	3,518,769	45,000	10,467,280
					0
ISF - Workers Comp 5% reduction	(497)		(5)		(502)
Total Personal Services Change	(497)	0	(5)	0	(502)
					0
					0
ISF - Allocated Fee, VISION, Insurances 5% reduction	(3,799)		(1,008)		(4,807)
Retain Federal Spending authority to match awards			1,013		1,013
General operating - registration, advertising, other purchased svcs	(43,612)				(43,612)
					0
Total Operating Change	(47,411)	0	5	0	(47,406)
					0
					0
					0
Total Grants Change	0	0	0	0	0
					0
Subtotal of Increases/Decreases	(47,908)	0	0	0	(47,908)
FY 2021 Governor Recommend Addendum	4,910,253	1,945,350	3,518,769	45,000	10,419,372
Department of Economic Development FY 2021 Governor Recommend	4,958,161	1,945,350	3,518,769	45,000	10,467,280
TOTAL INCREASES/DECREASES	(47,908)	0	0	0	(47,908)
Department of Economic Development FY 2021 Governor Recommend Addendum	4,910,253	1,945,350	3,518,769	45,000	10,419,372

Fiscal Year 2021 Budget Development Addendum - Department of Tourism & Marketing

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Department of Tourism & Marketing: FY 2021 Governor Recommend	3,572,812			24,587	3,597,399
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 72)					0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	3,572,812	0	0	24,587	3,597,399
					0
ISF - Workers Comp 5% reduction	(224)				(224)
Contracted Services - international	(36,500)				(36,500)
Total Personal Services Change	(36,724)	0	0	0	(36,724)
					0
ISF - Allocated Fee, VISION, Insurances 5% reduction	(1,490)				(1,490)
					0
					0
Total Operating Change	(1,490)	0	0	0	(1,490)
					0
					0
					0
					0
Total Grants Change	0	0	0	0	0
					0
Subtotal of Increases/Decreases	(38,214)	0	0	0	(38,214)
FY 2021 Governor Recommend Addendum	3,534,598	0	0	24,587	3,559,185
Department of Tourism & Marketing: FY 2021 Governor Recommend	3,572,812	0	0	24,587	3,597,399
TOTAL INCREASES/DECREASES	(38,214)	0	0	0	(38,214)
Department of Tourism & Marketing: FY 2021 Governor Recommend Addendum	3,534,598	0	0	24,587	3,559,185