

1 H.371

2 Introduced by Representatives O'Sullivan of Burlington, Jerome of Brandon,  
3 Kimbell of Woodstock, Marcotte of Coventry, and Ralph of  
4 Hartland

5 Referred to Committee on

6 Date:

7 Subject: Commerce and trade; economic opportunity

8 Statement of purpose of bill as introduced: This bill proposes to support the  
9 creation of an opportunity economy by providing funding and policy guidance  
10 for: (1) the Microbusiness Development Program; (2) the Vermont Matched  
11 Savings Account Program; (3) workforce development and training programs  
12 for Vermonters with barriers to employment; (4) financial education, coaching,  
13 and credit building services for Vermonters with barriers to financial security;  
14 and (5) the Volunteer Income Tax Assistance Program.

15 An act relating to creating an opportunity economy for all Vermonters

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 Sec. 1. STATEMENT OF PURPOSE

18 (a) The purpose of this act is to create an opportunity economy that works  
19 for all Vermonters, of all social and economic backgrounds, supported by all of  
20 State government.

1       (b) In order to create an opportunity economy that truly works for all  
2       Vermonters, each agency of the State should share responsibility and resources  
3       to stabilize families with low income, break down barriers to successful  
4       employment, and support initiatives that foster job creation, workforce  
5       development, financial capability, and economic opportunities wherever  
6       appropriate.

7       Sec. 2. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;  
8                APPROPRIATION

9       (a) Findings. The General Assembly finds:

10       (1) Since 1989, the Microbusiness Development Program has provided  
11       free business technical assistance, including training and counseling, as well as  
12       access to capital to Vermonters with low income.

13       (2) The Vermont Community Action Agencies work in conjunction with  
14       many partners, including other service providers, State agencies, business  
15       technical assistance providers, and both traditional and alternative lenders.

16       (3) Each year the Program:

17       (A) enables the creation or expansion of an average of 115 businesses  
18       across Vermont;

19       (B) supports the creation of 86 new jobs; and

20       (C) provides access to more than \$1 million in capital.

1           (4) The average cost per job created through the Program is less  
2           than \$3,800.00.

3           (b) Intent. Current base funding for the Program is \$300,000.00, and it is  
4           the intent of the General Assembly to provide total funding for the Program in  
5           fiscal year 2020 of \$500,000.00.

6           (c) Appropriation. In fiscal year 2020, in addition to any other amounts  
7           appropriated, the amount of \$200,000.00 is appropriated from the General  
8           Fund to the Office of Economic Opportunity for pass-through grants to the  
9           Community Action Agencies to restore and increase funding for the regional  
10           Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

11           Sec. 3. VERMONT MATCHED SAVINGS ACCOUNT

12                   PROGRAM; APPROPRIATION

13           (a) Findings. The General Assembly finds:

14           (1) In 2018, the State of Vermont reinvested in the matched savings and  
15           financial education program that helps Vermonters with low income invest in  
16           their future by enabling them to build financial assets.

17           (2) Matched by state funds, participants save—and have their savings  
18           matched—to purchase or repair a home, invest in training or postsecondary  
19           education, grow a business, or purchase or repair a vehicle.

20           (3) Since its start in 1997, 998 Vermonters have completed their savings  
21           period and invested \$2.8 million in their future, much of which has helped

1 support their local economy; 566 have invested in businesses, 229 in  
2 education, and 203 in first-time homeownership.

3 (b) Intent. Current base funding for the Program is \$135,300.00, and it is  
4 the intent of the General Assembly to provide total funding for the Program in  
5 fiscal year 2020 of \$250,000.00.

6 (c) Appropriation. In fiscal year 2020, the amount of \$250,000.00 is  
7 appropriated from the General Fund to the Agency of Human Services for  
8 matching funds through the matched savings and financial education program.

9 Sec. 4. WORKFORCE DEVELOPMENT AND TRAINING; FINDINGS;

10 APPROPRIATION

11 (a) Findings. The General Assembly finds:

12 (1) The Vermont Community Action Agencies offer a variety of  
13 workforce development and training initiatives that:

14 (A) address persistent barriers to employment for workers with no,  
15 little, or unsuccessful work experience; and

16 (B) build career competencies, including:

17 (i) job-seeking skills;

18 (ii) computer literacy;

19 (iii) problem-solving and decision-making;

20 (iv) interpersonal communication;

21 (v) personal qualities; and

1                   (vi) customer service.

2                   (2) Specific examples of training programs include:

3                   (A) job readiness programs for at-risk youths to obtain their first  
4 jobs;

5                   (B) life and workplace skills training for incarcerated persons who  
6 are reentering the workforce upon release;

7                   (C) GED preparation, comprehensive job coaching, and group  
8 worksites at parent-child centers;

9                   (D) transportation assistance to individuals to enable them to prepare  
10 for and attain employment; and

11                   (E) skills development, career readiness, and job placement training  
12 for underemployed and unemployed Vermonters for food service industry  
13 careers.

14                   (b) It is the intent of the General Assembly to provide sufficient funding for  
15 workforce development and training for Vermonters with low income, in order  
16 to increase access to the workforce and ensure a supply of job-ready,  
17 dependable workers to enable Vermont employers to maintain and expand  
18 their businesses.

19                   (c) Appropriation. In fiscal year 2020, in addition to any other amounts  
20 appropriated, the amount of \$250,000.00 is appropriated from the General  
21 Fund to the Agency of Human Services for pass-through grants to the

1 Community Action Agencies to fund and expand access to existing workforce  
2 development and training services.

3 Sec. 5. FINANCIAL EDUCATION, COACHING, AND CREDIT

4 BUILDING SERVICES; FINDINGS; APPROPRIATION

5 (a) Findings. The General Assembly finds:

6 (1) To overcome barriers to financial security, “Financial Capability”  
7 education and coaching services empower people to stabilize their finances, set  
8 goals and work to achieve them, and sustain successful financial behaviors  
9 over time.

10 (2) The knowledge and skills gained by Vermonters with low income  
11 enable them better to manage scarce resources, repair or build credit, and  
12 establish or strengthen connections to financial institutions.

13 (3) Vermont Community Action Agencies report that some families  
14 participating in financial education programs have yielded a savings of more  
15 than \$2,514.00 since participating—a substantial sum for families living in  
16 poverty.

17 (4) Additionally, a national study found that 58 percent of individuals  
18 with low-to-moderate income receiving financial coaching and credit building  
19 services had their credit score increase as a result.

20 (5) These services in Vermont can and have been customized to meet  
21 the particular needs of families participating in Reach Up.

1       (b) Intent. It is the intent of the General Assembly to provide sufficient  
2       funding to the Community Action Agencies to cover the cost of existing  
3       financial education, coaching, and credit-building services, and to enable more  
4       Vermonters with low income to access these services. The current cost of the  
5       program statewide is \$189,000.00, and an additional \$100,000.00 in State  
6       funds will leverage \$49,000.00 in IRS funding to sustain and expand access to  
7       these services.

8       (c) Appropriation. In fiscal year 2020, in addition to any other amounts  
9       appropriated, the amount of \$100,000.00 is appropriated from the General  
10       Fund to the Agency of Human Services for pass-through grants to the  
11       Community Action Agencies to provide financial education, coaching, and  
12       credit building services to Vermonters with low income.

13       Sec. 6. VOLUNTEER INCOME TAX ASSISTANCE PROGRAM;

14                APPROPRIATION

15       (a) Findings. The General Assembly finds:

16                (1) The Volunteer Income Tax Assistance Program offers free tax  
17       preparation for anyone with an annual income of less than \$55,000.00.

18                (2) In fiscal year 2018, the Vermont Community Action Agencies  
19       completed 3,309 federal returns and 3,844 State returns, and provided  
20       assistance with the Vermont Renter's Rebate application and Homestead  
21       Declaration.

1           (3) The Program has a 94 percent accuracy rate—higher than any other  
2           tax preparation service.

3           (4) The total refunds and tax credits brought \$6.8 million back into the  
4           State economy and helped stabilize households of Vermonters with low  
5           income.

6           (b) Intent. It is the intent of the General Assembly to provide \$100,000.00  
7           in State funding to the Volunteer Income Tax Assistance Program to leverage  
8           \$49,000.00 in federal funding in order to sustain and expand access to the  
9           Program for Vermonters with low income.

10          (c) Appropriations. In fiscal year 2020, in addition to any other amounts  
11          appropriated, the amount of \$100,000.00 is appropriated from the General  
12          Fund to the Agency of Human Services for pass-through grants to the  
13          Community Action Agencies to sustain and expand access to the Volunteer  
14          Income Tax Assistance Program.

15          Sec. 7. EFFECTIVE DATE

16          This act shall take effect on July 1, 2019.