



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. Michael Marcotte, Chair, House Committee on Commerce and Economic Development

Date: February 25, 2020

Subject: Review of Governor's Proposed FY 2021 State 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 2021 Budget that fall under the policy jurisdiction of this Committee. In response to your request, the Committee reviewed the administration's proposals and ranked each with either a recommendation for funding and high, medium, or low priority, or, a recommendation against funding. The Committee respectfully submits the following concerning the relevant sections:

Sec. B.1100. FISCAL YEAR 2021 ONE-TIME GENERAL FUND APPROPRIATIONS

(b) FY 2021 GF for New Initiatives:

(2) \$5,850,000 – ACCD:

(A) \$250,000 – DTM; econ. development marketing (support; medium priority)

(B) \$500,000 – DTM; tourism marketing (support; high priority)

(C) \$250,000 – DTM; promoting outdoor recreation (support; low priority)

(D) \$2,000,000 – DED; capitalization funding for the Battery & Energy storage and research manufacturing sector (does not support)

(E) \$250,000 – DED; implement a heat pump pilot program (defers to H.Energy)

(F) \$1,000,000 – DED; fund technology-based econ. dev. (support; high priority)

(G) \$150,000 – DHCD; regional planning commissions

(H) \$150,000 – DHCD; municipal planning grants

(I) \$50,000 – DHCD; Missing Middle Housing Developer and Landlord Training

(J) \$250,000 – DHCD; locally supported placemaking projects (support; high priority)

(K) \$1,000,000 – DHCD; Vermont Housing Incentive Program

(4) \$750,000 – AAFM; Working Lands initiative (support; high priority)

(5) \$100,000 – DOL; initiative to collaborate among community development partners and State agencies

(6) \$500,000 – VSAC; advancement grant program (support; high priority; recommends addition to base funding)

(7) \$500,000 – VSC; academic support and retention

(8) \$300,000 – PSD; deployment of broadband service (defers to H.Energy)

(9) \$1,000,000 – SOS; development of one-stop shop business portal (support; high priority; recommends move to ACCD)

(10) \$1,000,000 – VEDA; convertible loan program for capital investment and payroll growth

(11) \$150,000 – DOL: (support; high priority)

(A) \$50,000 to support the development of community-based systems for settling New Americans in partnership with the State Refugee Resettlement Office;

(B) \$100,000 to work with State and community partners to grow the State's workforce by recruiting and retaining New Americans

Sec. C.101 – FURTHER AMENDMENTS TO BUDGET ADJUSTMENT ACT

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

Secs. E.130.1; E.130.2 – TIF Audits - 32 V.S.A. § 5404a; 24 V.S.A. § 290b

Sec. E.215. Military – Administration

(a) \$1,426,718 shall be disbursed to VSAC for the National Guard Educational Assistance program, 16 V.S.A. § 2856, and the National Guard Tuition Benefit Program, 16 V.S.A. § 2857.

Sec. E.224 AAFM – agricultural development

(a) Of funds appropriated in Sec. B.224, \$594,000 in GF is appropriated to WLEB for investments in food and forest system businesses and services

Sec. E.318. CHILDCARE PROVIDER STABILIZATION GRANTS

(a) Of FY 21 funds in Sec. B.318, \$800,000 allocated for expanding infant and toddler childcare capacity.

Sec. E.318.1 – CHILDCARE FINANCIAL ASSISTANCE PROGRAM

Sec. E.318.2 – Educational and Experiential Variance

Sec. E.323 – 33 V.S.A. § 1123(c)(2) – Individual Development Savings Program
(objects to statutory amendment; supports program; high priority; recommends restoration of base funding of \$135,000)

Sec. E.325.1 – 3 V.S.A. § 3722 – Regional Microbusiness Development Programs
(objects to statutory amendment; supports program; high priority; recommends restoration of base funding of \$298,870)

Sec. E.326 – \$750,000; special funds for OEO Weatherization Assistance

Sec. E.400 – LABOR PROGRAMS

- (a) \$1,335,900 – DOL; Sec. B.400; workforce development programs**
- (b) \$300,000 – DOL; Sec. B.400; build a relocation assistance unit**

Sec. E.504 – Education – Flexible Pathways

Sec. E.600 – University of Vermont

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(b) \$380,326 – EPSCoR; for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both

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- (d) Vermont physician training**

Sec. E.602 – Vermont State Colleges

(b) \$427,898 – VMEC; for the purpose of complying with State matching fund requirements for federal or private funds, or both



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Other Provisions

Base funding to the Department of Tourism and Marketing – includes \$26,880 for VMBA and \$95,000 for the Vermont Convention Bureau (does not support continued inclusion of these funds)

Increase to VOSHA base funding (\$73,000) to maintain current staffing levels (does not support) Recommends replacement with the following language:

Sec. 15. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

(a) The Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation and for costs of the occupational disease safety and health programs that are not funded by federal OSHA grants and matching State General Fund appropriations. The Fund shall consist of contributions from employers made at a rate of 1.4 percent of the direct calendar year premium for workers' compensation insurance, one percent of self-insured workers' compensation losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

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Conclusion

Thank you again for the opportunity to review the administration's budget proposals and provide feedback to the Committee on Appropriations.