



## House Commerce and Economic Development Committee

Testimony submitted by Betsy Bishop, President, Vermont Chamber of Commerce

June 2, 2020

In the last few months, our world changed. Vermonters and people around the globe are reeling from the impact of COVID-19 on their lives, work, and loved ones. Throughout the pandemic, the Vermont Chamber has advocated for financial assistance and regulatory relief to help businesses throughout our state survive, helping their communities and their workers.

Much work has already been done and we thank you for your support in these efforts.

- Initial abatement of taxes
- Allowing online lodging reservations
- Suspension of tax deadlines
- Freezing of the unemployment insurance rate
- Flexibility for licensing fees and renewals

The federal government has also swiftly responded to calls for relief with funding for businesses through the CARES Act, the Paycheck Protection Program and the EIDLs. This is a great start, but we need even more funding for these federal programs and operational changes as detailed in our [letter to Vermont's congressional delegation](#).

As Governor Scott continues to reopen the Vermont economy in phases, the Vermont Chamber has advocated for substantial state relief using CARES act funding and this \$400 million package will clearly be a huge help to Vermont's small businesses. This is especially true, since the recently passed FY20 budget adjustment did not provide full abatement of February and March meals and rooms tax obligations. Therefore, we fully support this proposal, and we have three most immediate suggestions:

- 1. Act with a sense of urgency – both in passage and upon enactment**
  - Make the first category of \$150 million automatic with a process for change rather than an application process
- 2. Make the funding flexible**
  - Ensure that this funding doesn't impact businesses negatively by disqualifying them from taking advantage of PPP and/or EIDL
  - Consider lifting the \$2.5 million trigger but keeping the cap on the individual amount which would give businesses a choice between programs
  - Remove the FTE requirements – many small lodging establishments are under the 5FTE requirement, forcing them to access a smaller pool of funds
  - Broaden the uses to include physical upgrades yet still disallow expansions

### 3. Adjust the marketing section

- We support the appropriation of \$5 million toward marketing and agree that as a state, we need to think of it in three phases.
  - *Marketing for intrastate travel*
  - *Vermont is “open” under limited conditions*
  - *When the 14-day quarantine is lifted*
  
- As we continue to learn about the plans for this funding, we are concerned that the consumer stimulus envisioned by this proposal will be overly complicated and not get the results we all want.
  - Therefore, we are suggesting that VDTM be the sole recipient of the \$5 million and execute a marketing program that not only encourages Vermonters to experience tourism in their own state but also lures tourists in the surrounding states that Vermont is open for business and ready to receive them again.
  - We realize that the marketing to out-of-staters needs to wait until the quarantine order is lifted and guidance allows, but encouraging tourists to return to Vermont is the best way to help bring people back into the workforce and get our small businesses onto a path of prosperity
  - VDTM can use that time to create the marketing plan, with the appropriate messaging, in the appropriate seasons with the appropriate partners.
  - We suggest that they develop a plan with financial grants for established marketing partners and events in all regions of the state.
  - This path gets us the best of both worlds:
    - This marketing appropriation will be given to the experts at VDTM. They have the talent in messaging, branding and placement – more so than any other entity in the state. They have PR people, digital marketing staff, ad agency experience and more. No regional collaborative can put that together quickly enough to deliver results.
    - The majority of these funds should be used to market to out of state tourists.
    - We would also encourage a set-aside fund for marketing proposals that have a regional focus.
  - We understand that the money needs to be dispersed by 12/31 to be in compliance with the CARES act and we believe they can do this by using a combination of an ad agency and established marketing partners.
  - This adjustment would have many benefits. It would:

- Rely on the marketing experts at VDTM rather than new and un-proven groups in newly defined regions
- Allow for a regional focus
- Eliminate any overhead expenses going to various new entities, or gift card companies
- Generate tourist traffic that can be converted to repeat customers
- Avoid any new administrative reporting and tracking
- Allow innovation to come from the regions

While that concludes my comments on this particular proposal, and I'll pause for questions but I also want to share with the committee some of the work the Vermont Chamber doing during this time.

### **Vermont Chamber in Action**

As non-profits, all the chambers are impacted in some way, we continue to help businesses with resources, information and advocacy. For the Vermont Chamber....

- We have held tourism town halls with Congressman Welch for both restaurants and lodging establishments.
- Chris Carrigan is actively participating in the governor's Restart Task Force for Manufacturing and Amy Spear is doing the same with Tourism.
- We have launched the [Solutions Hub](#), an online suggestion box for policy solutions for economic recovery and ideas for securing a strong economic path forward in Vermont. We are sharing these suggestions with the Governor's economic recovery task forces, and with you.
- The Vermont Futures Project has created a [Recovery Dashboard](#) for quick access to changing key economic.

I have also heard from many businesses and community leaders, that amid this crisis, we need to reimagine Vermont's economic future. Perhaps that is the next committee meeting but let me leave you with a thought.

As a state, we should give some thought to Vermont's economy can emerge from this crisis more resilient, innovative, and sustainable. As schools closed and residents learned to work from home, Vermont's uneven broadband infrastructure was highlighted. We need to tackle this issue and others to create economic resiliency in our rural communities, bolster our education system, and attract a remote workforce. With improvements, Vermont could position itself as a work-from-home capital with world-class outdoor recreation, walkable downtowns, peaceful communities, and ample public space.

We look forward to partnering in these efforts as we begin on the road to recovery. We are in this together.