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HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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SUPPLEMENTAL MEMORANDUM

To: Rep. Kitty Toll, Chair, House Committee on Appropriations

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

Date: March 1, 2019

Subject: Additional Recommendations for FY 2020 State Budget

This memorandum supplements the recommendations that the Committee on Commerce and Economic Development offered in its prior memorandum concerning the administration's proposed FY 2020 State budget.

(1) Workforce Development and Economic Development (\$2,500,000) – High Priority

In Sec. B.1101(c) the administration proposes a one-time FY 2020 appropriation of \$2,000,000 to the Agency of Commerce and Community Development to fund its relocation and recruitment initiative. In Sec. B.1101(d) the administration proposes a one-time FY 2020 appropriation of \$500,000 to the Department of Labor to fund its relocation support system, "Reloc802."

The Committee ranks investments in workforce development and economic development as a high priority and recommends that this \$2,500,000 be appropriated as follows:

- \$250,000 to the Agency of Commerce and Community Development for economic development marketing pursuant to 3 V.S.A. § 2476(c). The Committee has long supported the Agency's efforts, and recognized its success, in attracting visitors through its tourism marketing. The Committee wishes to continue providing strong support to the Agency's continued efforts to attract businesses and workers through its economic development marketing.

- \$250,000 to the Agency of Commerce and Community Development for targeted digital media marketing in support of its recruitment and relocation initiatives.
- \$500,000 to the Department of Labor for its “Reloc802” relocation support system. The Reloc802 relocation support system will expand the Department’s ability to provide direct support to current and new Vermont workers, as well as to municipalities and partners who are attracting and assisting those workers. The Committee continues to refine the parameters of this support system in its workforce development bill.
- \$500,000 to the Working Lands Enterprise Board for working lands grants. The Working Lands Program has a demonstrated record of success and has provided numerous rural Vermont businesses with the necessary tools and investments to thrive. The Committee strongly supports the Board’s continued work.
- \$1,000,000 to the Department of Labor to provide funding to expand opportunities for apprenticeships, training, and adult career and technical education, which may include funding to replicate the Rutland CCV robotics program in additional locations.

(2) Microbusiness Development Program (\$100,000) – High Priority

The Committee ranks investment in the microbusiness development program as a high priority and supports an increase of \$100,000 in base funding to the Office of Economic Opportunity for pass-through grants to the Community Action Agencies to provide funding for the regional microbusiness development program pursuant to 3 V.S.A. § 3722. The Committee encourages the Office to ensure, to the greatest extent possible, that the programs are funded equitably and operated consistently across regions of the State.

Additionally, of any one-time monies available in FY 2020, the Committee recommends that the microbusiness development program be given priority for up to \$100,000 in additional funding.

(3) Vermont Housing & Conservation Board; Grant Writing (\$75,000) – High Priority

The Committee ranks investment in VHCB’s Rural Economic Development Initiative as a high priority and supports an increase of \$75,000 in base funding to the Vermont Housing and Conservation Board to provide ongoing grant writing assistance. The Committee recognizes the significant return on investment through this funding in FY 2019, with which VHCB provided grant writing assistance to leverage additional \$1.78 million.

(4) Housing; Rehabilitation; Downtown Development (1,200,000) – High Priority

The Committee ranks investments in affordable housing and downtown development as a high priority.

The Committee supports \$1,000,000 to the Agency of Commerce and Community Development to design and implement the administration's proposed Rental Housing Rehabilitation Incentive Program, which will be modeled on the successful Neighborworks rehabilitation pilot program.

The Committee notes that the parameters of this program are being developed in legislation in other committees of jurisdiction. The Committee recommends that the rehabilitation funds be targeted in labor market areas with higher than average unemployment or lower than average wages.

The Committee also supports the administration's proposed \$200,000 increase in the annual cap for the Vermont Downtown and Village Center Tax Credit Program created in 32 V.S.A. chapter 151, subchapter 11J.