

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.162 An act relating to promoting economic development – House Commerce and Economic Development proposal of amendment

<https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Ways%20and%20Means/Bills/S.162/S.162~David%20Hall~As%20Recommended%20by%20the%20House%20Committee%20on%20Commerce%20and%20Economic%20Development~5-14-2019.pdf>

Fiscal Summary

Sec. 1 – Remote Worker Program

The bill would remove the yearly maximum award expenditure and simply require that yearly grant awards be subject to available funding. Because these grants can potentially be paid out over multiple years, there is some risk that the accumulation of grant awards could exceed the available funding in future years.

Sec. 2-3 – VEGI

Section 2 would eliminate the enhanced incentive for workforce training within the Vermont Economic Growth Incentive (VEGI) program. Government and applicants have all found this provision difficult to understand and administer. Section 3 would require the Economic Progress Council (VEPC) to work with an outside consultant to report to the General Assembly on certain aspects of the VEGI program.

Sec. 4-6 – State-Owned Airports

These sections contain numerous provisions relating to State-owned airports. Among these provisions, agencies to which the Agency of Transportation may apply for permits relating to State-owned airports would be authorized to waive permit fees subject to the review and approval of the airport master permit. As this is not a mandate for agencies to waive fees the potential fiscal impact of this provision on the State is unknown.

Sec. 7 – Vermont Technical College (VTC)

This section would require VTC to study how to provide some or all of its accredited associate degree programs at career technical education (CTE) centers. VTC would report its findings to the House and Senate Education committees and to the State Board of Education. **An appropriation of \$200,000 in General Fund dollars for the study is in this bill (Sec. 26).**

Sec. 8 – Vermont Training Program

This section encourages ACCD to undertake efforts to utilize 25% of FY2020 VT Training Program funding to provide training that results in a credential of value or apprenticeship and to provide 25% of VTP funding for businesses with 50 or fewer employees.

Sec. 10 – Home Weatherization Training Grants

This section would require the Department of Children and Families (DCF) to provide grants to the five home weatherization assistance programs for recruiting and training in the home weatherization industry. **An appropriation of \$350,000 in General Fund dollars for the grant program is in this bill (Sec. 26).**

Sec. 13 – Adult CTE System

This section would require the Department of Labor to issue a request for proposals (RFP) for a consultant to study and report to the General Assembly on the design, implementation and costs of an integrated adult career and technical education system. **An appropriation of \$70,000 in General Fund dollars for the RFP and report is in this bill (Sec. 26).**

Sec. 14 – Relocation Support

This section would require the Department of Labor to work with employers and other parts of State government on a multi-faceted workforce recruitment effort. **An appropriation of \$275,000 in General Fund dollars for the relocation support effort is in this bill (Sec. 26).**

Sec. 15 – Workforce recruitment on military bases

This section would create a pilot program within the Department of Labor to work with various employers to provide on-base recruitment efforts for separating military members. The bill would authorize the Department to utilize up to \$25,000 of its General Fund dollars to support this effort.

Sec. 18 – Fidelity Bonds

This section would require the Department of Labor to utilize up to \$3,000 of its FY2020 appropriation to purchase fidelity bonds to insure against loss or theft in order to hire workers with barriers to employment. The fund from which the money will be utilized is not specified in the bill.

Sec. 24 – Ski Tramways

This section would authorize the Passenger Tramway Board to utilize tramway registration fee revenues to provide ski lift mechanic education, job training and apprenticeship programs.

Sec. 26 Appropriations

This section appropriates \$1,865,000 in General Fund dollars in FY2020 as follows:

- Agency of Commerce and Community Development, \$450,000
 - \$225,000 of these funds would be for economic development marketing
 - \$225,000 for the identification, recruitment and relocation assistance for workers
- Department of Labor, \$1,215,000
 - \$275,000 for relocation support system (Sec. 14 of this bill)
 - \$350,000 for weatherization training (Sec. 10 of this bill)
 - \$50,000 as a grant to the Community College of Vermont's (CCV) Rutland campus for the purchase of equipment for robotics training
 - \$470,000 to the Workforce Education and Training Fund for apprenticeships, training, and adult career and technical education

- \$70,000 for the Adult CTE system (Sec. 13 of this bill)
- \$200,000 for the VTC study (Sec. 7 of this bill)

These cumulative appropriations are \$270,000 higher than the appropriations in H.533, the House workforce development bill, and higher than the new economic development funding authorized by the House-passed budget bill (H.542). The General Assembly may want to add language to this bill that makes funding contingent on decisions in the budget conference committee to ensure that:

1. the funding is accounted for in the budget; and
2. the same funds are not appropriated more than once.