



**Draft Bill on Economic Development**  
**Senate Economic Development, Housing and General Affairs Committee**

Betsy Bishop, President

February 28, 2019

As Vermont's largest statewide business organization, the Vermont Chamber of Commerce represents 1,500 members distributed throughout the state, encompassing virtually every industry. The Chamber's mission is to grow our member's businesses, while contributing to the overall Vermont economy. It is because of this core mission that the Vermont Chamber of Commerce supports the draft bill before you today.

Vermont is already a high-cost state for employers in regard to unemployment insurance, development costs, taxes, health insurance premiums, energy costs, mandated wage levels and benefits. These mandates and their associated costs are reflected in the very apparent economic struggle of the small business sector over the past several years – a sector that has historically served as the State's job incubator. That is why we are pleased to see this committee working toward incentives that support businesses, particularly in workforce and development.

Regarding this draft bill specifically, here are our comments:

Sec. 1: Expanding the VDTM mission to include retaining workers, we support this. The tight and decreasing labor market is the number one issue for Vermont employers. We welcome the increased attention to this issue that has been given by the Legislature and Administration over the last several years.

Sec. 2: New Worker Relocation Incentive, we support these changes and additions. We appreciate the creative thinking around providing incentives to workers to increase the population and ultimately the workforce available to Vermont employers. This particular initiative has been a lead-in to one of the Vermont Futures Project's recommendations slated for further research this summer. The Futures Project is identified six initiatives to increase the workforce with both the data and marketing initiatives ongoing. They are currently working on two research projects around internships and employer of choice environments. The two other recommendations scheduled for later are a discussion around CTE funding and then worker incentives that would complement this remote worker program.

Sec. 3: Workforce recruitment appropriations of \$2 million for both the campaign and the incentives, we support this. It's important that there is funding to support the goals. Without it, these concepts become a wish list. To date, the Legislature has endorsed funding in this effort

each of the last three years which has led to the creation of the plan and the marketing efforts to date. We cannot halt this progress.

One note of caution, we all need to make sure that this marketing request is separate and unique from the base marketing funding for the tourism funding that is appropriated to VDTM annually in the amount of approximately \$2 million.

Sec. 4 & 5: Regional Workforce Education and Training Support System and \$500,000 funding, we support this effort to ensure the State supports are in place to execute the plan and meet the goals as intended.

Sec 6: VEGI Changes

- Wages – We support the clarification because it provides greater definition with limited change. While these levels might be hard to meet for start-ups and small businesses, Vermont has long established that VEGI incentives should go to companies creating these types of higher-wage jobs.
- Enhancements – While these are worthy industries to provide incentives, over the years we have a track record of trying to add these enhancements for the trending industries. It has been the green industries, the tech industry, now small business and start-ups. These change over time and adding specific enhancements to the statutes makes it hard to be nimble when a new, innovative industry comes along. The strength in the criteria comes for the wage and benefit levels which are better goals than stating in law which industries are preferable.
- On Page 15, small business is defined as a company with 19 or fewer employees. I encourage the committee to get a listing of all the definitions of small business we use in the state to ensure consistency across departments.

Sec 7: Act 250 in Industrial Parks

We are supportive of provisions that would simplify a master plan process for obtaining construction permits for certain projects, like those in industrial parks. The provisions regarding master plans and partial review would eliminate duplicative processes in designated zones and better enable affordable and responsible development opportunities, including in rural areas.