

1 oTO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred House Bill No. 159 entitled “An act relating to creating the Better
4 Places Program” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Tourism and Marketing * * *

8 Sec. 1. TOURISM AND MARKETING; APPROPRIATION

9 (a) The tourism and hospitality sector has suffered widespread disruption
10 from the COVID-19 pandemic, with restaurant, lodging, entertainment,
11 specialty retail and related businesses, as well as cultural attractions, suffering
12 job losses and an uncertain ability to remain operational due to the travel
13 restrictions imposed and the revenue losses that have been experienced.

14 (b) When travel is safe again, Vermont will have a strategic opportunity
15 coming out of the pandemic to encourage visitation due our abundance of open
16 space, strong cultural and outdoor recreation assets, and careful management
17 of the virus.

18 (c) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from
19 the General Fund to the Department of Tourism and Marketing to promote
20 Vermont’s travel, recreation, culinary, arts, culture, agritourism, and heritage

1 experiences to attract visitors, and stimulate visitor spending with local
2 attractions and small businesses in rural communities and throughout the State.

3 * * * Technology-Based Economic Development * * *

4 Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

5 PROGRAM; APPROPRIATION

6 (a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from
7 the General Fund to the Agency of Commerce and Community Development
8 to design and implement a technology-based economic development program,
9 consistent with the following:

10 (1) Small business innovation research; small business technical
11 transfer; technical assistance. A total of \$200,000.00 to provide technical
12 assistance to first-time applicants pursuing a federal SBIR or STTR grant.

13 (2) SBIR; STTR; Phase I and Phase II matching grants. A total of
14 \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to
15 businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

16 (3) Industry research partnership program. A total of \$200,000.00 to
17 provide a 100 percent matching grant to Vermont small businesses:

18 (A) to purchase services and technical assistance from universities
19 and research institutions, including research and development assistance,
20 technology assessments, product prototyping, lab validation, and overcoming
21 development hurdles; and

1 education and training programs offered by multiple providers, including
2 programs administered or funded by State government, educational
3 institutions, and business-lead groups ~~such as the Vermont Talent Pipeline~~
4 ~~Management Project~~. The State should continue to work closely with these
5 providers to identify and meet the needs of employers and employees.

6 * * *

7 (b) Postsecondary CTE System.

8 (1) The Department of Labor, in collaboration with the Agency of
9 Education, the Vermont State Colleges, and the Vermont Adult Technical
10 Education Association, ~~and any~~ shall:

11 (A) consultant the Department hires for that purpose, issue a request
12 for proposals and hire a consultant on or before September 1, 2021; and

13 (B) shall consider and report to the General Assembly on the design,
14 implementation, and costs of an integrated postsecondary career and technical
15 education system that achieves the results specified in subdivision (a)(2) of this
16 section.

17 (2) In performing their work, the Department, stakeholders, and ~~any~~ the
18 consultant shall conduct a broad-based stakeholder engagement process to
19 solicit input from interested parties, and State agencies and departments shall
20 provide necessary information and assistance within their relative areas of
21 expertise.

1 (c) Report. On or before January 15, ~~2020~~ 2022, the Department of Labor
2 shall submit a preliminary report on the status of its work and a final report on
3 or before December 15, 2022 with any recommendations for legislative action
4 to the House Committee on Commerce and Economic Development and the
5 Senate Committee on Economic Development, Housing and General Affairs.

6 (d) In performing its work to create an integrated postsecondary career and
7 technical education system, the Department shall recognize issues faced by
8 persons with historical barriers to employment or who are underrepresented in
9 the workforce, including persons who have faced discrimination based on race,
10 sex, sexual orientation, gender identity, age, refugee status, and national origin;
11 persons in recovery; persons with a history of incarceration; and persons with
12 disabilities.

13 Sec. 4. APPROPRIATION

14 In fiscal year 2022, the amount of \$75,000.00 is appropriated from the
15 General Fund to the Department of Labor to implement Sec. 3 of this act.

16 * * * Group Insurance; Northern Borders Regional Commission * * *

17 Sec. 5. 3 V.S.A. § 631 is amended to read:

18 § 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY
19 DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND
20 CREDIT UNIONS

1 (a)(1) The Secretary of Administration may contract on behalf of the State
2 with any insurance company or nonprofit association doing business in this
3 State to secure the benefits of franchise or group insurance. Beginning July 1,
4 1978, the terms of coverage under the policy shall be determined under section
5 904 of this title, but it may include:

6 (A) life, disability, health, and accident insurance and benefits for
7 any class or classes of State employees; and

8 (B) hospital, surgical, and medical benefits for any class or classes of
9 State employees or for those employees and any class or classes of their
10 dependents.

11 (2)(A)(i) As used in this section, the term “employees” includes any
12 class or classes of elected or appointed officials, State’s Attorneys, sheriffs,
13 employees of State’s Attorneys’ offices whose compensation is administered
14 through the State of Vermont payroll system, except contractual and temporary
15 employees, and deputy sheriffs paid by the State of Vermont pursuant to
16 24 V.S.A. § 290(b). The term “employees” shall not include members of the
17 General Assembly as such, any person rendering service on a retainer or fee
18 basis, members of boards or commissions, or persons other than employees of
19 the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont
20 State Employees’ Credit Union, Vermont State Employees’ Association, ~~and~~
21 the Vermont Council on the Arts, and the Northern Border Regional

1 Commission, whose compensation for service is not paid from the State
2 Treasury, or any elected or appointed official unless the official is actively
3 engaged in and devoting substantially full-time to the conduct of the business
4 of his or her public office.

5 (ii) For purposes of group hospital-surgical-medical expense
6 insurance, the term “employees” shall include employees as defined in
7 subdivision (i) of this subdivision (2)(A) and former employees as defined in
8 this subdivision who are retired and are receiving a retirement allowance from
9 the Vermont State Retirement System or the State Teachers’ Retirement
10 System of Vermont and, for the purposes of group life insurance only, are
11 retired on or after July 1, 1961, and have completed 20 creditable years of
12 service with the State before their retirement dates and are insured for group
13 life insurance on their retirement dates.

14 (iii) For purposes of group hospital-surgical-medical expense
15 insurance only, the term “employees” shall include employees as defined in
16 subdivision (i) of this subdivision (2)(A) and employees who are receiving a
17 retirement allowance based upon their employment with the Vermont State
18 Employees’ Association, the Vermont State Employees’ Credit Union, the
19 Vermont Council on the Arts, as long as they are covered as active employees
20 on their retirement date, and:

21 (I) they have at least 20 years of service with that employer; or

1 (II) have attained 62 years of age; and have at least 15 years of
2 service with that employer.

3 (B) The premiums for extending insurance coverage to employees
4 shall be paid in full by the Vermont Historical Society, ~~the Vermont Film~~
5 ~~Corporation~~, the Vermont State Employees' Association, the Vermont State
6 Employees' Credit Union, the Vermont Council on the Arts, and the Northern
7 Border Regional Commission, or their respective retirees. Nothing herein
8 creates a legal obligation on the part of the State of Vermont to pay any portion
9 of the premiums required to extend insurance coverage to this group of
10 employees.

11 * * *

12 * * * Better Places Program * * *

13 Sec. 6. FINDINGS; INTENT AND PURPOSE

14 (a) The General Assembly finds:

15 (1) The COVID-19 pandemic has devastated our economy through
16 business closures and job losses, and physical distancing requirements have
17 exacerbated social isolation and impacted Vermonters' quality of life and sense
18 of community.

19 (2) Public spaces are essential for supporting economic activity and
20 health and well-being throughout the pandemic and for building engaged,
21 equitable, and resilient communities in the future.

1 (3) Vermont’s downtowns and villages increasingly depend on inviting
2 public spaces that are robustly programmed to restore our distinct sense of
3 place; strengthen community pride and identity; and attract businesses, jobs,
4 and talent.

5 (4) Placemaking projects intentionally leverage the power of the arts and
6 cultural assets to strengthen the economic and social fabric of communities and
7 allow for growth and transformation that builds upon local and regional
8 character, culture, and quality of place.

9 (5) Research shows that community-driven placemaking projects
10 increase economic and civic vitality and create spaces where commerce
11 thrives, social connections flourish, civic participation increases, and residents
12 are empowered to take ownership of their future to build healthier and
13 equitable local economies.

14 (b) It is the intent of the General Assembly to:

15 (1) enhance the livability and unique sense of place in Vermont’s
16 downtowns and villages by providing funding, training, and resources to
17 support investments in public spaces and local placemaking projects that build
18 prosperous, equitable, healthy, and resilient communities;

19 (2) promote healthy, safe, equitable, and vibrant downtowns, villages,
20 and neighborhoods for people of all ages, abilities, backgrounds, and incomes
21 by increasing public space and placemaking investments in local communities;

1 (3) strategically coordinate and simplify the funding process from
2 multiple community development funders, streamline the grantmaking and
3 distribution process, democratize community access to grant funds, and
4 provide communities a nimble, flexible source to quickly fund and launch
5 community-driven placemaking projects to make positive and enduring change
6 locally; and

7 (4) help local leaders identify, develop, and implement placemaking
8 projects by creating the Better Places Program to advance local recovery
9 efforts, rebuild local economies, boost local capacity, and reconnect
10 Vermonters to one another—critical elements that help communities recover
11 quickly and build prosperous and resilient communities in the future.

12 Sec. 7. 24 V.S.A. § 2799 is added to read:

13 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

14 (a)(1) There is created the Better Places Program within the Department of
15 Housing and Community Development, and the Better Places Fund, which the
16 Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5.

17 (2) The purpose of the Program is to utilize crowdfunding to spark
18 community revitalization through collaborative grantmaking for projects that
19 create, activate, or revitalize public spaces.

20 (3) The Department may administer the Program in coordination with
21 and support from other State agencies and nonprofit and philanthropic partners.

1 (b) The Fund is composed of the following:

2 (1) State or federal funds appropriated by the General Assembly;

3 (2) gifts, grants, or other contributions to the Fund; and

4 (3) any interest earned by the Fund.

5 (c) As used in this section, “public space” means an area or place that is
6 open and accessible to all people with no charge for admission and includes
7 village greens, squares, parks, community centers, town halls, libraries, and
8 other publicly accessible buildings and connecting spaces such as sidewalks,
9 streets, alleys, and trails.

10 (d)(1) The Department of Housing and Community Development shall
11 establish an application process, eligibility criteria, and criteria for prioritizing
12 assistance for awarding grants through the Program.

13 (2) The Department may award a grant to a municipality, a nonprofit
14 organization, or a community group with a fiscal sponsor for a project that is
15 located in or serves a designated downtown, village center, new town center, or
16 neighborhood development area that will create a new public space or
17 revitalize or activate an existing public space.

18 (3) The Department may award a grant to not more than one project per
19 calendar year within a municipality.

20 (4) The minimum amount of a grant award is \$5,000.00 and the
21 maximum amount of a grant award is \$50,000.00.

1 (5) The Department shall develop matching grant eligibility
2 requirements to ensure a broad base of community and financial support for
3 the project, subject to the following:

4 (A) A project shall include in-kind support and matching funds raised
5 through a crowdfunding approach that includes multiple donors.

6 (B) An applicant may not donate to its own crowdfunding campaign.

7 (C) A donor may not contribute more than \$10,000.00 or 35 percent
8 of the campaign goal, whichever is less.

9 (D) An applicant shall provide matching funds raised through
10 crowdfunding of not less than 25 percent and not more than 50 percent of the
11 grant award, provided that the Department may adjust the matching
12 requirements within this range if necessary due to demand and availability of
13 funds.

14 (e) The Department of Housing and Community Development, with the
15 assistance of a fiscal agent, shall distribute funds under this section in a manner
16 that provides funding for projects of various sizes in as many geographical
17 areas of the State as possible.

18 (f) The Department of Housing and Community Development may use up
19 to 15 percent of any appropriation to the Fund from the General Fund to assist
20 with crowdfunding, administration, training, and technological needs of the
21 Program.

1 (g) Beginning on January 15, 2022 and annually thereafter, the Department
2 of Housing and Community Development shall submit to the Senate
3 Committee on Economic Development, Housing and General Affairs and the
4 House Committee on Commerce and Economic Development an annual report
5 regarding the activities and progress of the Program. The report shall:

6 (1) summarize the Program activities in the preceding year and report on
7 the number of awarded grants and the total grant funds allocated;

8 (2) report on partner resources and contributions to the Program; and

9 (3) report on any measurable economic activity, which may include the
10 number of jobs created, the number of visitors, the approximate number of
11 square feet to be activated or redeveloped, and the number of volunteers
12 engaged in the project.

13 * * * Downtown Tax Credit Program * * *

14 Sec. 8. 32 V.S.A. § 5930aa is amended to read:

15 § 5930aa. DEFINITIONS

16 As used in this subchapter:

17 (1) “Qualified applicant” means an owner or lessee of a qualified
18 building involving a qualified project, but does not include a State or federal
19 agency or a political subdivision of either; or an instrumentality of the United
20 States.

1 (2) “Qualified building” means a building built at least 30 years before
2 the date of application, located within a designated downtown ~~or~~ village
3 center, or neighborhood development area, which, upon completion of the
4 project supported by the tax credit, will be an income-producing building not
5 used solely as a single-family residence. Churches and other buildings owned
6 by religious organization may be qualified buildings, but in no event shall tax
7 credits be used for religious worship.

8 (3) “Qualified code improvement project” means a project:

9 (A) to install or improve platform lifts suitable for transporting
10 personal mobility devices, limited use or limited application elevators,
11 elevators, sprinkler systems, and capital improvements in a qualified building,
12 and the installations or improvements are required to bring the building into
13 compliance with the statutory requirements and rules regarding fire prevention,
14 life safety, and electrical, plumbing, and accessibility codes as determined by
15 the Department of Public Safety;

16 (B) to abate lead paint conditions or other substances hazardous to
17 human health or safety in a qualified building; or

18 (C) to redevelop a contaminated property in a designated downtown
19 ~~or~~ village center, or neighborhood development area under a plan approved by
20 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

1 (5) credit under any one subsection of 5930cc of this subchapter may
2 not be allocated more often than once every two years with respect to the same
3 building; ~~and~~

4 (6) credit awarded under section 5930cc of this subchapter that is
5 rescinded or recaptured by the State Board shall be available for the State
6 Board to award to applicants in any subsequent year, in addition to the total
7 amount of tax credits authorized under this section;

8 (7) the total amount of tax credits awarded annually to qualified projects
9 located within neighborhood development areas does not exceed \$750,000.00;
10 and

11 (8) no credit shall be awarded to a qualified project located within a
12 neighborhood development area after July 1, 2026.

13 Sec. 10. 24 V.S.A. § 2793a is amended to read:

14 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

15 * * *

16 (c) A village center designated by the State Board pursuant to
17 subsection (a) of this section is eligible for the following development
18 incentives and benefits:

19 * * *

20 ~~(4) The following State tax credits for projects located in a designated~~
21 ~~village center:~~

1 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
2 requirements are met. These benefits are:

3 (1) ~~The~~ the application fee limit for wastewater applications stated in
4 3 V.S.A. § 2822(j)(4)(D);

5 (2) ~~The~~ the application fee reduction for residential development stated
6 in 10 V.S.A. § 6083a(d);

7 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
8 § 10002(p); and

9 (4) eligibility for the Downtown and Village Center Tax Credit Program
10 described in 32 V.S.A. § 5930aa et seq.

11 * * *

12 Sec. 12. 24 V.S.A. § 2794 is amended to read:

13 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

14 (a) Upon designation by the Vermont Downtown Development Board
15 under section 2793 of this title, a downtown development district and projects
16 in a downtown development district shall be eligible for the following:

17 (1) Priority consideration by any agency of the State administering any
18 State or federal assistance program providing funding or other aid to a
19 municipal downtown area with consideration given to such factors as the costs
20 and benefits provided and the immediacy of those benefits, provided the
21 project is eligible for the assistance program.

1 (3) for any housing produced within neighborhood development areas
2 using tax credits under 32 V.S.A. § 5930aa et seq., the number of housing units
3 produced, the development cost per unit, and the average rent per unit;

4 (4) whether to extend the sunset in 32 V.S.A. § 5930ee(8); and

5 (5) any recommended changes to the programs.

6 * * * International Business Attraction and Investment Program * * *

7 Sec. 14. FINDINGS

8 (a) The General Assembly finds:

9 (1) Business investment by Canada-based businesses provides the
10 opportunity to generate increased employment, increase the range of job
11 opportunities for Vermonters, and increase the dynamism of our communities.

12 (2) From the past work of the Department of Economic Development,
13 we know that small- and mid-sized businesses in Quebec, Ontario, and other
14 provinces in the region have a natural inclination to explore Vermont as the
15 site for expansion in the U.S. market.

16 (3) Developing a program to attract businesses and investment from
17 Canada-based businesses and engaging the services of a foreign trade
18 representative to provide local recruitment support can allow the State and its
19 businesses to tap resources of institutions, enterprises, and people to a greater
20 degree and to develop lead generation services, expansion monitoring, in-

1 market representation, market intelligence, and the ability to engage and
2 nurture high-growth companies primed for expansion.

3 (4) It is the intent of the General Assembly to fund the services of a
4 foreign trade representative for two years in order to begin the work of
5 cultivating relationships with Canada-based partners and developing prospects
6 for attracting business relocation and investment in Vermont.

7 Sec. 15. APPROPRIATION; REPORT

8 (a) In fiscal year 2022, the amount of \$300,000.00 is appropriated from the
9 General Fund to the Agency of Commerce and Community Development to
10 provide funding for up to two years to contract with a foreign trade
11 representative consistent with Sec. 14 of this act.

12 (b) On or before January 15, 2022, the Agency of Commerce and
13 Community Development shall report to the House Committee on Commerce
14 and Economic Development and the Senate Committee on Economic
15 Development, Housing and General Affairs concerning:

16 (1) the terms of the contract; and

17 (2) metrics to evaluate success of the contract and the representative.

18 (b) On or before January 15, 2023, the Agency of Commerce and
19 Community Development shall report to the House Committee on Commerce
20 and Economic Development and the Senate Committee on Economic
21 Development, Housing and General Affairs concerning:

- 1 (1) the type and number of business contacts and engagement;
- 2 (2) the type of businesses, jobs, and wages brought to the State; and
- 3 (3) recommendations concerning the continuation or expansion of the
- 4 program.

5 * * * Workforce Development and Education * * *

6 Sec. 16. WORKFORCE DEVELOPMENT AND EDUCATION

7 (a) Findings.

8 (1) Due to the COVID-19 the public health emergency, the Vermont
9 State Colleges have experienced a significant decrease in applications, and the
10 board of directors has voted to freeze tuition for the 2021–2022 academic year
11 both to keep students costs low and to mitigate the economic impact of
12 COVID-19 on enrollment.

13 (2) Deposit activity, a signal of anticipated enrollment for the fall 2021
14 semester, has declined between five and 20 percent at two of the four VSC
15 institutions, and FAFSA filing for Vermont is down seven percent year over
16 year.

17 (3) While the enrollment gap is narrowing from earlier in the fall, it is
18 still significantly wider than normal due to the complexities of how the
19 pandemic is affecting Vermont’s high schools and high school students, for
20 example, due to remote learning and the necessity for guidance counselors to
21 broaden the reach of their services to struggling students.

1 (4)(A) The federal Pell Grant eligibility for first time, full-time Vermont
2 students is high, signifying that families are financially distressed.

3 (B) In the fall of 2019, the percentage of first-time, full-time students
4 who were Pell eligible were as follow: CCV (57 percent); CU (39 percent);
5 NVU (49 percent); and VTC (41 percent).

6 (C) These students, already economically disadvantaged, are
7 disproportionately impacted by the pandemic and related economic crisis.

8 (5) In addition to increasing the needs of Vermont’s secondary and post-
9 secondary students, the COVID-19 pandemic has also placed significant
10 burden on the Vermont workforce, which can benefit from expanded
11 opportunities available at the Vermont State Colleges.

12 (b) Purpose. The purpose of this act is to provide funding for Vermonters:

13 (A) who have been impacted by the COVID-19 pandemic through
14 layoffs, furloughs, or reduced hours or due to being employed in an industry
15 that has been severely affected; and

16 (B) who are pursuing education and training and require educational
17 assistance and other support due to economic harm and lost opportunities
18 arising from the COVID-19 public health emergency.

19 (b) Appropriation. In fiscal year 2022, the amount of \$20,500,000.00 is
20 appropriated from the General Fund to the Vermont State Colleges, in

1 coordination with the Department of Labor, for workforce development and
2 education to Vermonters, as follows:

3 (1) Welcome home scholarships. \$4,000,000.00 to provide scholarships
4 of \$5,000.00 per year or \$2,500.00 per semester for full-time students enrolled
5 for 12 or more credits, or \$3,000.00 per year or \$1,500.00 per semester for
6 part-time students, to Vermonters transferring from out-of-state institutions or
7 returning to school after exiting in 2020–2021. This program’s mission is to
8 incentivize students to come home to Vermont by transferring to VSCS
9 institutions and to complete their degree if they left school without finishing in
10 2020–2021.

11 (2) Degree completion program. \$3,000,000.00 to provide scholarships
12 for up to 30 credits towards a credential of value for adult learners who have
13 earned at least 40 credits towards an undergraduate degree and have a gap in
14 attendance of at least two years.

15 (3) Critical occupations; graduate internship scholarships.
16 \$2,000,000.00 to provide scholarships for up to 12 credits and incentive
17 payments of \$15.00 per hour for up to 240 hours per semester for graduate
18 students who are required to fulfill an internship, practicum, or clinical
19 requirement for a graduate degree in education or mental health counseling.

20 (4) Critical occupations; undergraduate internship scholarships.
21 \$1,000,000.00 to provide incentive payments of \$15.00 per hour for up to 240

1 hours per semester for undergraduate students who are required to fulfill an
2 internship, practicum, or clinical requirement for an undergraduate degree in
3 education or allied health.

4 (5) Free tuition for critical occupation careers. \$5,500,000.00 to provide
5 free last dollar tuition for one year of undergraduate studies for critical
6 occupation careers, including bookkeeping certificate, IT service desk
7 specialist certificate, certified production technician, graphic design certificate,
8 software and web development program, practical nursing program, electrical
9 and plumbing apprenticeships, child care, nursing programs, mental health
10 counseling, paramedicine, dental hygiene, certificate in accounting, small
11 business management, radiologic science, and respiratory therapy.

12 (6) Workforce development 2.0. \$3,000,000.00 to provide funding for
13 up to six credits or two courses, including wraparound services, for
14 Vermonters whose employment was impacted by the COVID-19 public health
15 emergency since March 13, 2020.

16 (7) Long-term care facility LPN program. \$2,000,000.00 to provide
17 funding for tuition and wraparound services for students to pursue a practical
18 nursing certificate program.

19 (d) Report. On or before January 15, 2022, the Vermont State Colleges
20 shall submit to the General Assembly a progress report concerning the
21 implementation of this section.

1 Sec. 17. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

2 (a) The General Assembly finds that the Microbusiness Development
3 Program has demonstrated the capability to help individuals lift themselves out
4 of poverty by providing the technical support and financial assistance
5 necessary to start and sustain entrepreneurial enterprises.

6 (b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the
7 General Fund to the Department for Children and Families, Office of
8 Economic Opportunity for pass-through grants to the Community Action
9 Agencies to provide funding for the regional Microbusiness Development
10 Programs pursuant to 3 V.S.A. § 3722.

11 (c) In fiscal year 2022, the amount \$2,000,000.00 is appropriated to the
12 Department for Children and Families, Office of Economic Opportunity, to be
13 granted to the Community Action Agencies for the Statewide Community
14 Action Network’s Economic Micro Business Recovery Assistance for the
15 COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont
16 microbusiness owners impacted by COVID-19 business closure orders with
17 access to grants and technical assistance.

18 Sec. 18. STATE BIPOC BUSINESS NETWORK DEVELOPMENT

19 (a) Intent.

1 (1) Racial wealth disparities are a function of not only access to income,
2 but also the ability to start and sustain a business, access land, and own
3 property.

4 (2) Vermont embraces its responsibility to course correct the historical
5 impact of economic exploitation and exclusion from opportunity due to race
6 and ethnicity for American descendants of slavery and the broader Black,
7 Indigenous, and Persons of Color community.

8 (3) In order to rectify this history of inequity, it is the intent of this
9 General Assembly to acknowledge and address wealth disparity and cultural
10 disempowerment by creating economic opportunity and cultural
11 empowerment, using new systems that empower Vermonters who have
12 historically suffered from discrimination and lacked equal access to public or
13 private economic benefits due to race, ethnicity, geography, language
14 preference, and immigrant or citizen status.

15 (b) Findings.

16 (1) The Vermont Partnership for Fairness and Diversity conducted a
17 survey of BIPOC businesses after the Emergency Recovery Grant programs
18 closed. The survey analysis included three core recommendations: form a
19 state BIPOC Commission, create a BIPOC business association, and improve
20 data collection and the State's understanding of BIPOC business needs.

1 (2) The Committee sought information from over a dozen BIPOC
2 business and community and State leaders to learn what BIPOC businesses
3 need to be economically successful in Vermont. Core findings included:

4 (A) allow BIPOC businesses to lead and define the formation of a
5 BIPOC business network;

6 (B) offer more support to BIPOC businesses by assisting them in
7 procuring State contracts, securing capital investment and customer
8 cultivation, and finding technical support;

9 (C) improve language access and cultural competency practices
10 within State economic development programs and strengthen connections to
11 BIPOC businesses; and

12 (D) improve State data collection to better serve the variety of
13 identities represented within the BIPOC community.

14 (c) BIPOC business network.

15 (1) In fiscal year 2022, the amount of \$100,000.00 is appropriated from
16 the General Fund to the Agency of Commerce and Community Development
17 to provide funding for a contractor of not more than \$100,000.00 to convene
18 BIPOC businesses, organizations, and community leaders and other business
19 organizations, and representatives from State government to create a set of
20 recommendations on how to launch a State BIPOC business network.

1 (2) On or before January 15, 2022, the contractor shall deliver to the
2 Agency and to legislative committees of jurisdiction a report summarizing its
3 process, deliberations, and a set of recommendations on how the State can
4 support the formation of a BIPOC business network, including financial
5 resources needed and policy changes.

6 (3) Applications for the contract shall be reviewed and selected by the
7 Executive Director of Racial Equity, the Racial Equity Advisory Panel, and the
8 Secretary of Commerce and Community Development.

9 Sec. 19. 10 V.S.A. § 2 is added to read:

10 § 2. BIPOC BUSINESS DEVELOPMENT

11 The Agency of Commerce and Community Development shall design and
12 implement the Economic Advancement Program and dedicate at least one full-
13 time equivalent employee to oversee the following responsibilities:

14 (1) cultivate and support BIPOC businesses, including:

15 (A) technical assistance;

16 (B) grants and loans;

17 (C) business-to-business mentorship program;

18 (D) business procurement contract assistance;

19 (E) financial management, digital growth, and marketing;

20 (F) start-up support;

21 (G) capital investment opportunities; and

1 (H) networking;

2 (2) provide training to business technical assistance providers to reduce
3 bias in service delivery;

4 (3) create a data collection system to allow the Department to analyze
5 trends, sectors, and outcomes for BIPOC businesses to better inform economic
6 development policy that benefits BIPOC businesses; and

7 (4) create an outreach program that includes language access for the not
8 fewer than three of the most commonly used languages within Vermont other
9 than English on all the programs offered to Vermont businesses within the
10 Agency.

11 Sec. 20. ENTREPRENEURS’ SEED CAPITAL FUND

12 (a) Entrepreneurs’ Seed Capital Fund. The Entrepreneurs’ Seed Capital
13 Fund, created by the Vermont Economic Development Authority pursuant to
14 10 V.S.A. § 291, is a \$5.1 million revolving “evergreen” capital fund in
15 operation since 2010 serving Vermont’s entrepreneurs and early-stage
16 technology-enabled companies for job growth, income potential, and wealth
17 creation. Since inception, the Fund’s portfolio companies have now raised in
18 excess of \$182 million. The Fund is professionally managed by the Vermont
19 Center for Emerging Technologies (VCET).

20 (b) Appropriation. The amount of \$1,000,000.00 is appropriated from the
21 General Fund to the Entrepreneurs’ Seed Capital Fund to provide risk stage

1 seed capital to Vermont businesses that have experienced economic disruption
2 either through reduced business, new business formation, or through an
3 unmanageable increase in new business due to the COVID-19 crisis.

4 (c) Fast Capital Investment Program; categories. Notwithstanding any
5 provision of 10 V.S.A. § 290 to the contrary, the Fund shall invest in
6 businesses consistent with the following:

7 (1) The Fund shall invest in rapid seed and early growth stage
8 employers that have a viable plan for recovery and growth.

9 (2) The Fund shall make expedited investments using simplified
10 investment terms and instruments, including stock, convertible notes,
11 forgivable loans, royalty financing, or grants with equity warrants.

12 (3) The expected range per new investment is \$20,000.00 to
13 \$100,000.00 from this appropriation.

14 (4) The Fund shall prioritize sourcing and funding on BIPOC-, veteran-,
15 and women-owned businesses.

16 (5) In continuing to serve the Vermont innovation ecosystem and
17 notwithstanding the expedited program timeline, the Fund shall pursue co-
18 investment participation from local and regional investors, including Vermont
19 venture funds, family offices, community foundations, accredited individual
20 “angel” investors, lending institutions, and other relevant sources.

1 (d) Eligibility. For-profit Vermont businesses are eligible under the Fast
2 Capital Investment Program except where other significant State appropriated
3 Coronavirus Relief Fund program resources have been directed. These
4 excluded sectors include:

5 (A) traditional in-person retail operations;

6 (B) lodging, hospitality, and real estate operations; and

7 (C) restaurants and food service operations.

8 Sec. 21. 10 V.S.A. § 291(b)(3) is amended to read:

9 (3)(A) Before the Fund makes any investments, the Fund shall have and
10 maintain a board of five advisors who shall be appointed as follows: two shall
11 be appointed by the Authority, two shall be appointed by the Fund manager,
12 and one shall be appointed jointly by the Authority and the Fund manager.

13 (B) The appointing authorities shall coordinate their appointments to
14 ensure that the Board comprises advisors with diverse professional and
15 personal backgrounds and experiences, including representation of women and
16 BIPOC identified individuals.

17 (C) The Board of Advisors shall represent solely the economic
18 interest of the State with respect to the management of the Fund and shall have
19 no civil liability for the financial performance of the Fund.

