

Agency of Commerce & Community Development

Fiscal Year 2022 Budget Presentation



MISSION:
To help Vermonters improve their quality of life and build strong communities.

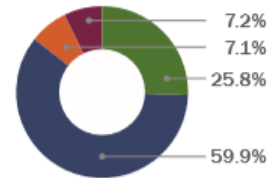
The Agency is engaged in activities that generate revenue to the State general fund. Our work with existing and new businesses, downtowns and communities, marketing the state for tourism, preservation of the Vermont brand and what makes us special, is all part of what generates income to state government. We are the income side of the state general ledger. Investments in ACCD are investments in income generating activity.

Agency of Commerce and Community Development














SECRETARY
Lindsay Kurrle
DEPUTY SECRETARY
Ted Brady
STAFF: 79 (FY 2021)



FY 2022
TOTAL BUDGET
\$49,184,443



- \$12,681,850 Department of Economic Development
- \$29,456,128 Department of Housing and Community Development
- \$3,505,309 Department of Tourism and Marketing (includes Chief Marketing Office)
- \$3,541,156 Administration

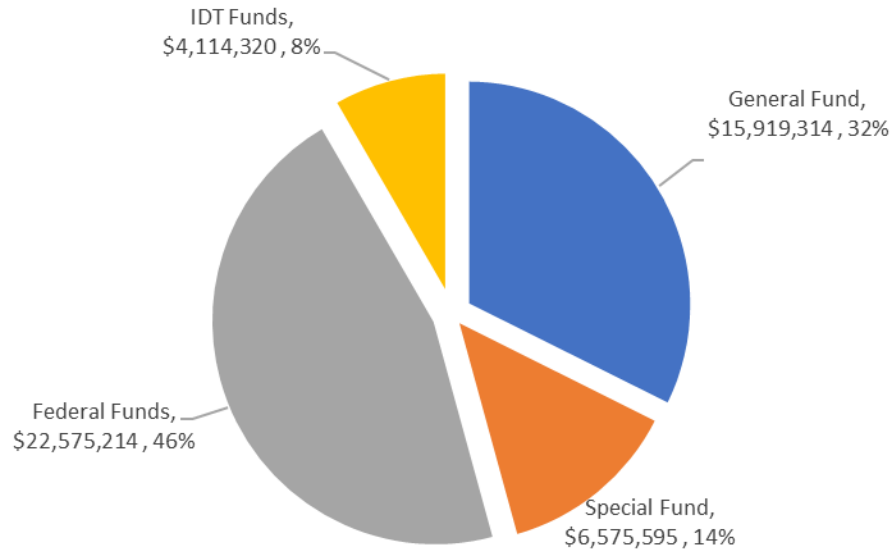
FY 2020 Major Department Highlights					
Department of Economic Development STAFF: 21	 \$5.4 M FY 2022 Proposed General Fund Appropriation	 288 New Vermonters (127 new workers; 161 family members)	 93 Business Creations	 52 Business Expansions	 1,240 Vermont Employees Approved for Training
Department of Housing and Community Development STAFF: 32	 \$3.9 M FY 2022 Proposed General Fund Appropriation	 \$18 M Program Dollars Invested	 \$231 M Total Dollars Leveraged	 4,976 Housing Units Created or Preserved	
Department of Tourism and Marketing STAFF: 13	 13.3 M Visitors (includes overnight, day and drive-through visitors)	 \$3.0 B Visitor Spending at Attractions, Lodging and Dining Establishments	 \$373 M Total Tax Revenue Generated by Tourism Activity	 31,336 Jobs in the Tourism Industry	
FY 2022 PROPOSED GENERAL FUND APPROPRIATION: \$15.9 M		BUDGET \$49,184,443	<ul style="list-style-type: none"> General Funds \$15,919,314 Federal Funds \$22,575,214 Special Funds \$6,575,595 All Other Funds \$4,114,320 		

Comprehensive Agency Strategies

- 
Illuminate the Vibrancy of Vermont
 Market Vermont effectively to increase the number of people visiting, living, and working here.
- 
Deploy a 21st Century Workforce
 Develop a continuum of education and job re/training to enable a robust, modern workforce.
- 
Ensure Housing for All
 Increase the availability and affordability of housing for all Vermonters.
- 
Accelerate Business Growth & Recruitment
 Grow/scale existing businesses and recruit new businesses via a network of technical assistance, access to capital and increased deal flow.
- 
Strengthen Vibrant Regional Economies & Ecosystems
 Focus on place-making to develop and celebrate a shared vision across regional communities and economies, and provide the tools to build and maintain modern infrastructure.

FY 2022 SUMMARY & HIGHLIGHTS

Governor's Recommended Budget FY 2022
 Total \$49.2m



- **Total ACCD Staff:** 79
- **Agency Budget Total:** \$49.2M
- 10.8% Increase in General Fund
- Base General Fund Initiatives:
 - ❖ VT Housing Investment Program **\$1M**
 - ❖ New Worker Grant Program **\$500K**

FY2022 One Time Expenditures

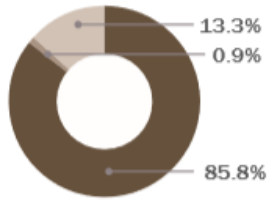
- Economic Development
 - ❖ Technology Based Economic Development/UVM Office of Engagement (**\$1M**)
 Create a climate where technology businesses can thrive through technical assistance and grants.
 - ❖ Brownfields Econ. Development Catalyst (**\$11M**)
 Clean up underutilized properties to spur job creation and housing construction.
 - ❖ Montreal Based Business Attraction Investment Program (**\$300K**)
 Establish recruitment, trade, and tourism office/representation in Quebec.
- Community Investment Package
 - ❖ VT Housing Incentive Program (**\$3M**)
 Provide incentives to private apartment owners and new home buyers to invest in aging and underutilized housing stock.
 - ❖ Better Places Grants Program (**\$5M**)
 Support place-based economic development projects to improve and revitalize public spaces.
 - ❖ Downtown Transportation Fund (**\$5M**)
 Expand eligibility to designated village centers to support local businesses with amenities to boost walking, biking, transit and commerce.
- Vermont Recovery Marketing
 - ❖ Dedicated Tourism and Marketing Funding **\$1M**
 Create a Tourism Marketing Promotion Fund using the R&M tax generated annually that exceeds revenue targets
 - ❖ Buy Local VT Consumer Stimulus Program **\$1M**
 Relaunch program to encourage Vermonters to shop local.
- Vermont 250th Anniversary Commission **\$25K**

TOTAL FY2022 GF One-Time Expenditures: \$27.325M

Agency of Commerce and Community Development

SECRETARY Lindsay Kurrle
DEPUTY SECRETARY Ted Brady

FY22
PROPOSAL COST
\$114,088,000



- \$15,200,000 Recovery
- \$1,000,000 Reemployment
- \$97,888,000 Reinvestment

"Supporting economic growth, strong communities and new housing, especially in the areas that need them most, will help us retain and recruit more families and workers."

– Governor Phil Scott, 2021 Inaugural Address

LEGEND

- Internal Agency (ACCD) One-time Funded Initiative
- External Agency (Non-ACCD) One-time Funded Initiative

Note: Blue tag indicates initiatives administered by external agencies.

Governor Scott's FY22 Community and Economic Development Proposals								
RECOVERY (\$15,200,000)								
\$10 M (Budget Adjustment) Economic Recovery Grants for New Businesses Provide pandemic-impacted businesses left out of federal and state programs with aid.		\$3.2 M (Budget Adjustment) Vermont Everyone Eats Reallocate FEMA reimbursement to run the program through end of FY21.		\$1 M (\$1M One-time Funding and Ongoing Appropriation) Dedicated Tourism and Marketing Funding from Meals and Rooms Tax Revenue Over Target Create a Tourism Marketing Promotion Fund to supplement the Department of Tourism and Marketing's budget funded by the Meals and Rooms Tax generated annually that exceeds revenue targets.		\$1 M (One-time) Buy Local Vermont Consumer Stimulus Program Relaunch the Buy Local Vermont Consumer Stimulus Program to encourage Vermonters to shop local.		
REEMPLOYMENT (\$1,000,000)								
\$500,000 Vermont Relocated Worker Grant Program Provide funding for grants to cover incurred moving costs to people who move to Vermont to work full-time for a Vermont employer.			\$0 (No General Fund) Unemployment Insurance Tax Relief Extend freezes on taxable wage base and on the tax schedule to prevent increased unemployment tax rates during pandemic recovery.		\$500,000 (One-time) Vermont Jobs Campaign Develop and implement a comprehensive and integrated workforce expansion initiative focused on COVID-19 recovery including updating Job Link and CRM tools.			
REINVESTMENT (\$97,888,000)								
Community Investments	\$0 (No General Fund) Place-Based Tax Increment Financing Enable Vermont's rural communities to use municipal and education tax increment from select parcels to fund infrastructure projects.		\$0 (No General Fund) Modernize and Improve Act 250 Encourage development in appropriate locations, improve regulatory processes, strengthen downtowns, while protecting natural resources and communities.		\$5 M (One-time) Better Places Grants Support place-based economic development projects to improve and revitalize public spaces.			
	\$5 M (One-time) Downtown Transportation Fund Expand eligibility to designated village centers to support local businesses with amenities to boost walking, biking, transit, and commerce.		\$1.75 M Expanded Downtown Tax Credit Expand the program to \$4.75 million to support improvements to income-producing properties and expand eligibility to Neighborhood Development Areas.		\$25 M (One-time) ACCD \$11M ANR \$14M Brownfields Economic Development Catalyst Grant Program Clean up underutilized properties to spur job creation and housing construction.			
Housing for All	\$4 M (\$1M Base Funding and \$3M One-time Funding) Vermont Housing Investment Program Provide incentives to private apartment owners and new home buyers to invest in aging and underutilized housing stock.		\$250,000 (Ongoing) Manufactured Home Replacement Tax Credit Increase Increase the Vermont Housing Tax Credit Program to increase the number of manufactured homes being replaced with energy efficient homes.			\$20 M (One-time) Increase to the Vermont Housing and Conservation Board Fully-fund VHCB to \$30.8 million with the full property transfer tax payment in FY22.		
	\$1 M (One-time) Technology Based Economic Development/ UVM Office of Engagement Create a climate where technology-based businesses can thrive through technical assistance and grants.		\$300,000 (One-time) Establish a Business Attraction Investment Program in Montreal Establish recruitment, trade, and tourism office/representation in Quebec.		\$10 M (One-time) Outdoor Economy Investment \$5 million for the Vermont Outdoor Recreation Economic Collaborative Community Grant Program and \$5 million investment in outdoor recreation assets.		\$700,000 (Ongoing) Manufacturing and Machinery Equipment Tax Exemption Expanding current tax exemption to include all machinery and equipment to provide a clearer path for tax compliance, and incentivize businesses to invest in new and upgraded manufacturing equipment.	
Accelerate the Business Climate	\$3 M (One-time) Working Lands Enterprise Fund To offer farmers and processors access to new markets.		\$1 M (One-time) Agency-wide Grant Management System Improvement Expand Salesforce-based system to include all \$33.4 million in grants distributed by ACCD.				\$25,000 (One-time) Vermont 250th Anniversary Commission To enable the state to plan activities related to the 250th anniversary of the American Revolution.	
	\$863,000 Historic Preservation and Building Communities Increase Capital Bill funding to Building Communities Grants, State Historic Sites Major Maintenance, Roadside Historic Site Markers, Underwater Preserves of Lake Champlain and Unmarked Burial Fund.							

Department of Housing and Community Development

COMMISSIONER

Josh Hanford

STAFF: 32 (FY 2021)



Summary of FY 2020 Impacts

\$18 M
PROGRAM DOLLARS
INVESTED

\$231 M
TOTAL DOLLARS
LEVERAGED

262
COMMUNITIES
ASSISTED

4,976
HOUSING UNITS
CREATED OR
PRESERVED

FY 2020 Major Department Highlights

<p>Vermont Community Development Program</p> <p>Administers annual federal allocation of Community Development Block Grants through a statewide competitive grant program addressing local needs in the areas of housing, economic development, public infrastructure and services.</p> <p><i>* Based on 2.2 Persons per Household Assisted</i></p>	<p>\$7.7 M Program Dollars Invested</p>	<p>\$92 M Total Dollars Leveraged</p>	<p>11,849 Low-Income Vermonters Assisted*</p>	<p>143 Housing Units Created</p>
<p>Community Planning and Revitalization</p> <p>Provides training, technical assistance, and funding, and coordinates regional planning efforts, to help communities incen smart growth and working landscapes to bring new vitality to their community centers.</p> <p><i>** Based on Populations of Communities Assisted</i></p>	<p>\$5.9 M Program Dollars Invested</p>	<p>\$82.9 M Total Dollars Leveraged</p>	<p>247,175 Vermonters Reached**</p>	<p>262 Communities Served</p>
<p>Historic Preservation</p> <p>The Division for Historic Preservation (VDHP) is dedicated to identifying, preserving, and interpreting historic resources on behalf of the citizens of the state and promoting them as significant components of our communities.</p>	<p>\$5.2 M Program Dollars Invested</p>	<p>\$18.1 M Total Dollars Leveraged</p>	<p>63,655 Annual Number of Visitors at State-owned Historic Sites</p>	<p>94 Historic Properties Assisted</p>
<p>Housing</p> <p>Coordinates state housing policy through the VT Housing Council and HUD Consolidated Plan. Administers the statutory requirements of the Mobile Home Park Program and administers the VT Charitable Housing Tax Credit.</p>	<p>\$72,000 Program Dollars Invested</p>	<p>\$131,869 Total Dollars Leveraged</p>	<p>10,694 Vermonters Served*</p>	<p>4,861 Housing Units Preserved</p>

FY 2022

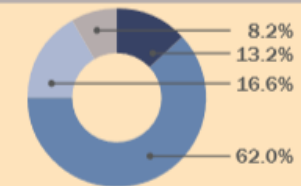
PROPOSED GENERAL FUND APPROPRIATION:

\$3.9 M

BUDGET

\$29,456,128

- General Funds \$3,884,934
- Federal Funds \$18,277,129
- Special Funds \$4,890,245
- All Other Funds \$2,403,820



Department of Housing and Community Development

It is the mission of the Department of Housing and Community Development (DHCD) to support vibrant and resilient communities, promote safe and affordable housing for all, protect the state's historic resources, and improve the quality of life for Vermonters. For the state to grow and thrive, there is a need to carefully integrate growth, environmental protection and economic opportunities into our state, regional and local framework.

Program Focus Areas

- Training, technical assistance and regulatory guidance;
- Funding and incentives;
- Protection of historic and cultural resources; and
- Produce and preserve housing opportunities

Measuring Success

- Housing units preserved and created
- Dollars invested in communities
- Additional housing dollars leveraged

COVID-19 Response

To-date the Department has allocated over \$43 million in new funding to support pandemic recovery for: local community planning & revitalization efforts, small businesses, low-income homeowners, renters and landlords. We have directly assisted more than 21,000 families with emergency housing expenses, stabilized more than 10,000 landlords from total revenue loss, assisted dozens of communities adapt and directly supported more than 150 small businesses.

Fiscal Year 2022 Budget Development Form - Department of Housing and Community Development					
	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1, Department of Housing & Community Development- FY 2021 Approp	2,791,111	5,398,955	8,164,967	2,876,286	19,231,319
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)					-
FY 2021 After Other Changes	-	-	-	-	-
Total Approp. After FY 2021 Other Changes	2,791,111	5,398,955	8,164,967	2,876,286	19,231,319
PERSONAL SERVICES					
Salary Increases	(15,289)	(65)	15,908		582
Fringe Increases	(6,058)	(392)	23,895		17,445
Salary Offset: One-Time CDBG Federal Admin Funding	(224,397)		224,397		-
Fringe Offset: One-Time CDBG Federal Admin Funding	(87,265)		87,265		-
Total Net Salary/Fringe Changes	(332,989)	(447)	351,463	-	18,027
Decision Item: Funding to support a new position for the DOC Transitional Housing Project	100,000				100,000
Temporary Staff (Historic Sites Reduction due to COVID)		(50,800)			(50,800)
Internal Service Fee - Workers Comp	4,980	2,434	6,889		14,303
Other Personal Services - Accounting Fund Correction	141,250	1,500	20,432	(32,000)	131,182
Unemployment Compensation/Catamount Health Assessment/Per Diem	(6,548)				(6,548)
Contracts & 3rd Party Services	(755)	(6,000)		(74,286)	(81,041)
Total Net Other Personal Service Changes	138,929	(52,866)	27,321	(106,286)	7,098
TOTAL PERSONAL SERVICE CHANGES	(94,060)	(53,313)	378,784	(106,286)	125,125
OPERATING					
Historic Sites - Operating at full capacity	312,333	(312,333)			-
Historic Sites - 40% Reduction to get to Level Fund	(125,746)				(125,746)
Internal Service Fee - VISION, ADS, Allocated Fee	(12,797)	(4,433)	2,349		(14,881)
Operating - Miscellaneous increases. Equipment, Mobile Data, Advertising	14,093	1,888	317		16,298
TOTAL OPERATING CHANGES	187,883	(314,878)	2,666	-	(124,329)
GRANTS					
Vermont Housing Investment Program (VHIP)	1,000,000				1,000,000
Downtown Stormwater Project Planning & Better Connections Program (Clean Water Funds)		31,000			31,000
Community Development Block Grant Program, Program Income & HOME Grant			541,309		541,309
Community Development Block Grant - COVID Relief			8,486,191		8,486,191
Community Development Block Grant - Recovery Housing			692,760		692,760
National Park Service (NPS) Grants-in-Aid & Preservation Trust of Vermont			10,452		10,452
Spending Authority Adjustments: Downtown Program; VW Mitigation Program & VHCB Disaster Recovery Buyout Program		(171,519)		(366,180)	(537,699)
TOTAL GRANT CHANGES	1,000,000	(140,519)	9,730,712	(366,180)	10,224,013
Subtotal of Increases/Decreases	1,093,823	(508,710)	10,112,162	(472,466)	10,224,809
FY 2022 Governor Recommend	3,884,934	4,890,245	18,277,129	2,403,820	29,456,128
Department of Housing & Community Development FY 2021 Appropriation	2,791,111	5,398,955	8,164,967	2,876,286	19,231,319
Reductions and Other Changes	-	-	-	-	-
SFY 2021 Total After Reductions and Other Changes	2,791,111	5,398,955	8,164,967	2,876,286	19,231,319
TOTAL INCREASES/DECREASES	1,093,823	(508,710)	10,112,162	(472,466)	10,224,809
Department of Housing & Community Development FY 2022 Governor Recommend	3,884,934	4,890,245	18,277,129	2,403,820	29,456,128

Vermont Housing Investment Program (\$3M)

One-Time Funding

Rental Housing Investment Program: \$3,000,000 Incentivizing private apartment owners to re-invest in rental units that have been closed due to housing quality concerns. By providing more available grants, to be matched with private investments.

- Will continue to allow owners of blighted, vacant and non-code compliant units to make the necessary safety and weatherization improvements to increase the availability of affordable housing.

Vermont Housing Investment Program (\$1M)

Base Funding

Homeowner Purchase & Rehabilitation Investment

A new program that will assist middle income families to purchase and rehabilitate affordable homes currently available in “Opportunity Neighborhoods” throughout Vermont’s slower growing regions.

- **Minority Ownership Set-aside: 25%**

The homeownership rate for Black, Indigenous and People of Color (BIPOC) is disproportionately less than that of white Vermonters. Systemic racism, lack of access to capital and federal housing policies have contributed to these inequities.

Create Better Places Grant Program (\$5M)

One-Time Funding

- Establish a community grant program that strategically coordinates the efforts of several funders supporting economic development projects to improve and revitalize public spaces;
- Creating partnerships between state, nonprofit, and philanthropic organizations, the Better Places proposal utilizes an innovative ‘crowdgranting’ funding model to support community development efforts in Vermont’s downtowns, villages, and neighborhoods.
- Vermont’s downtowns, villages, and neighborhoods increasingly depend on public spaces that are robustly programmed to advance local recovery efforts, rebuild community life, restore our sense of place, strengthen community pride, and attract businesses, jobs, and talent;
- The Better Places proposal will help empower local leaders to play an active role in rebuilding their communities, strengthening the economy, instilling consumer confidence, by creating safe, accessible, and vibrant public spaces needed to restart local businesses and advance community recovery efforts.

Downtown Transportation Fund (\$5M)

One-Time Funding

- Increase funding for the Downtown Transportation Fund and expand eligibility to support state designated village centers that have developed plans to support local businesses with amenities to boost walking, biking, transit, and commerce.
- Additional funding will meet the increasing demand and need from municipalities to create more and safer mobility options, expand access and choice, and make necessary public investments to support recovery efforts, advance equity, and build inclusive, vibrant, and welcoming communities in the future.

Expanded Downtown Tax Credit Program

- Increase the successful Downtown Tax Credit Program by \$1.75M.
- This program is oversubscribed annually and will support improvements to income-producing properties and expand eligibility to Neighborhood Development Areas.
- The program helps small-scale real estate investors, local private and non-profit builders, tenants, community supported enterprises, small businesses and employers.

Manufactured Home Replacement Tax Credit Expansion

- The goal of increasing this successful VT Housing Tax Credit Program is to increase affordability and accessibility of home ownership for young and new Vermont families.
- Will help existing low and middle income Vermont families who want to replace their existing energy inefficient mobile home by purchasing a new Energy Star or Zero Energy Manufactured Home but don't have the financial means to afford the required down payment.

Department of Economic Development

COMMISSIONER
Joan Goldstein

DEPUTY COMMISSIONER
Brett Long

STAFF: 21 (FY 2021)



Summary of FY 2020 Impacts

- 288** NEW VERMONTERS
- \$30.3 M** VEGI QUALIFYING DIRECT NEW PAYROLL, TOTAL
- \$10 M** TIF GENERATED INCREMENTAL REVENUE
- 1,240** VERMONT EMPLOYEES APPROVED FOR TRAINING

FY 2020 Major Department Highlights

<p>New Worker Grant Program (2020)</p> <p>The New Worker Grant provides an incentive to individuals who move to Vermont and work for a Vermont employer. Reimbursable expenses include moving costs and job-related expenses such as connectivity costs and specialized tools and equipment.</p>	<p>288 New Vermonters (127 new workers; 161 family members)</p>	<p>\$4,617 Average Grant Amount</p>	<p>80 Vermont Towns with New Residents from 109 Different Cities Across the U.S and Germany</p>	<p>34 Average Age of Grantee</p>
<p>Vermont Economic Progress Council</p> <p>Independent council of citizens and legislators that serves as an approval and authorization body for the Vermont Employment Growth Incentive (VEGI) program and the Tax Increment Financing (TIF) District program.</p>	<p>\$30.3 M Qualifying Direct New Payroll, Total (VEGI 2018)</p>	<p>670 Qualifying Direct New Jobs, Total (VEGI 2018)</p>	<p>\$10 M Total Incremental Revenue (TIF 2019)</p>	<p>\$11 M Public Infrastructure Investment (TIF 2019)</p>
<p>Vermont Training Program (VTP)</p> <p>Funding available to employers to defray a portion of the expenses of training personnel. Can be vendor training or on the job. * Statewide median wage -6.7%</p>	<p>\$1.3 M General Fund Appropriation</p>	<p>45 Total Businesses Served</p>	<p>1,240 Vermont Employees Approved for Training</p>	<p>3.1% Median Wage Increase from FY19 to FY20 *</p>
<p>Procurement Technical Assistance Center (PTAC)</p> <p>Team of 7 located throughout the state to help businesses secure contracts from local, state, and federal government.</p>	<p>\$873,491 Federal Award and General Fund Match</p>	<p>\$226 M Total Dollar Value of Contracts Assisted</p>	<p>1,933 Hours of Counseling Time for Client Support</p>	<p>6,067 Number of Contracts Won</p>
<p>Captive Insurance</p> <p>Market to global businesses to domicile their captive insurance company in Vermont.</p>	<p>\$530,350 Special Funds (FY20)</p>	<p>\$26.93 M Taxes and Fees Generated (2019)</p>	<p>38 Captives Licensed (2020)</p>	<p>564 Number of Active Captives</p>

FY 2022 PROPOSED GENERAL FUND APPROPRIATION: \$5.4 M

BUDGET \$12,681,850

- General Funds: \$5,398,915 (42.6%)
- Federal Funds: \$3,907,085 (30.8%)
- Special Funds: \$1,685,350 (13.3%)
- All Other Funds: \$1,690,500 (13.3%)

Department of Economic Development

Housed in the Agency of Commerce and Community Development, the Department of Economic Development works to improve the economic well-being of Vermonters. Our primary objective is to build the Vermont economy by helping companies, individuals and organizations gain access to the resources they need to grow their businesses, expand markets, create new jobs, find workers, build skills, invest in Vermont and improve Vermonters' quality of life.

Program Focus Areas

- Worker Recruitment;
- Business Support;
- Economic Development Marketing; and
- Economic Investments

Measuring Success

- Value & number of capital investments;
- increase in the number of businesses created/recruited;
- Increase in the size of the workforce.

COVID-19 Response

The Department of Economic Development, in partnership with the Department of Taxes, was responsible for the creation and deployment of the Emergency Economic Recovery Grants Program. From June through December, the two Departments were able to grant over \$300 million in Coronavirus Relief Funds directly to Vermont businesses.

Fiscal Year 2022 Budget Development Form - Economic Development

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Economic Development: FY 2021 Approp	4,910,253	1,945,350	3,518,769	45,000	10,419,372
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)					0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	4,910,253	1,945,350	3,518,769	45,000	10,419,372
Personal Services					
Salary change	16,579	(11,029)	3,064		8,614
Fringe Benefit change	(44)	(2,949)	2,325		(668)
Salary change - RFR	4,068				4,068
Fringe Benefit change - RFR	1,483				1,483
Salary NBRC Exec Director Project completed		(101,525)			(101,525)
Fringe NBRC Exec Director Project completed		(30,617)			(30,617)
Total Net Salary/Fringe Changes	22,086	(146,120)	5,389	-	(118,645)
Internal Service Fee - Workers Comp	(2,219)	(504)	(621)		(3,344)
Other Personal Services - NBRC Major Object Code Change to Grants			(63,057)		(63,057)
Contracted 3rd Party Services - OEA Additive Manufacturing Award completed			(146,100)		(146,100)
Net Contracted 3rd Party Services	(4,894)	4,000	(4,094)		(4,988)
Total Personal Services Change	14,973	(142,624)	(208,483)	-	(336,134)
Operating					
Internal Service Fees - base change (Insurances, VISION, ADS Allocated Fee)	(9,119)	(8,447)	(2,570)		(20,136)
NBRC Exec Director Project completed		(129,749)			(129,749)
PTAC Federal Award increase - GF Match demand	23,846		35,152		58,998
Net Operating changes to level fund: marketing, business recruitment, travel, equipment	(39,658)	20,820	(783)		(19,621)
Total Operating Change	(24,931)	(117,376)	31,799	-	(110,508)
Grants					
Job Zones	(1,380)				(1,380)
NBRC Capacity			190,000		190,000
Brownfield EPA award			375,000		375,000
Newport Economic Development EB-5 Settlement				1,645,500	1,645,500
New Worker Relocation Incentive Program	500,000				500,000
Total Grants Change	498,620	-	565,000	1,645,500	2,709,120
Subtotal of Increases/Decreases	488,662	(260,000)	388,316	1,645,500	2,262,478
FY 2022 Governor Recommend	5,398,915	1,685,350	3,907,085	1,690,500	12,681,850
Economic Development FY 2021 Appropriation	4,910,253	1,945,350	3,518,769	45,000	10,419,372
Reductions and Other Changes	0	0	0	0	0
SFY 2020 Total After Reductions and Other Changes	4,910,253	1,945,350	3,518,769	45,000	10,419,372
TOTAL INCREASES/DECREASES	488,662	(260,000)	388,316	1,645,500	2,262,478
Economic Development FY 2022 Governor Recommend	5,398,915	1,685,350	3,907,085	1,690,500	12,681,850

New and Relocated Worker Program (\$500k)

Base funding

- Additional investment of \$500,000 in the New Worker Relocation Grant program to provide funding for direct grants to cover incurred moving costs to eligible individuals who move to Vermont to work full-time for a Vermont employer.
- \$100,000 set-aside to increase the racial and ethnic representation in Vermont's communities and in the labor force;
- Technical changes to the program that expand accessibility and eligibility so more workers and occupations can access the program.
- Building on the momentum Vermont has seen as the healthiest, most desirable place to live, work and raise a family.

Technology-Based Economic Development Program and Partnership (\$1M)

One-Time Funding

- \$1M to create a Technology-Based Economic Development (TBED) program in Department of Economic Development and in partnership with the University of Vermont's newly created Office of Engagement (OOE).
- The goal of this program is to strengthen Vermont's economic base by creating a climate where technology-based businesses can thrive.

International Business Attraction and Investment Program (300k)

One-Time Funding

- \$300,000 to establish a foreign investment program by establishing representation for our recruitment, trade, and tourism efforts on-the-ground in Quebec.
- Business investment by Quebec-based businesses is expected to generate increased employment, increase the range of job opportunities for Vermonters and increase the dynamism of our communities.
- Vermont businesses continue to grow, but investment in the state by outside businesses will increase that rate of growth.

Brownfields Economic Development Catalyst Program (\$11M)

One-Time Funding

- The Brownfields program is used to clean up underutilized properties to spur job creation and housing construction.
- These funds will specifically be used to target brownfield redevelopment projects that have stalled, most often because they are not eligible for federal funding or have reached funding caps in currently available programs.
- There are more than 5,000 large and small brownfield properties that exist in most communities around the state. We can clean up these important brownfields and help bring them back as economic and job-creating drivers within the heart of Vermont's communities.

Gap Business Grants (\$10M)

One-Time Funding

- \$10M for businesses that have been ineligible for state or federal aide COVID-19 aide.
- Prioritizes “very new” businesses that started after February 2020, and who are ineligible for PPP.
- Includes prioritization for businesses that changed ownership in 2020, and who do not have 2019 financial look-back.
- Includes businesses who are ineligible for PPP because they have less than a 25% revenue loss.
- We continue to hear from House and Senate members and their constituents with examples of these types of businesses who are in need of financial aid.

Place-Based Economic Development

- Will enable Vermont's rural communities to be approved to use municipal and education tax increment from select parcels to fund qualifying infrastructure projects.
- Expands the TIF program beyond large communities and provides the gap funding for projects that will spur economic development in growth in small downtowns and villages.
- The unknown ripple effect of COVID-19 make the required planning for 10 years of public infrastructure improvements and anticipated private development even more challenging. This new program expands the opportunity for financing public improvements with tax increment more equitably to rural communities.

Department of Tourism and Marketing

COMMISSIONER

Heather Pelham

STAFF: 13 (FY 2021)



Summary of 2019 Impacts

13.3 M
AVERAGE ANNUAL VISITORS

\$3.0 B
VISITOR SPENDING

\$373 M
TAX REVENUE GENERATED

\$1,420
TAX SAVINGS TO EVERY VERMONT HOUSEHOLD

31,336
JOBS IN THE TOURISM INDUSTRY

2019 Economic Impact

Tax Revenue

Vermont's tourism industry is a crucial part of our economy. The tax revenue tourism generates contributes to the General Fund and reduces the tax burden on Vermont residents. The total tax revenue generated includes rooms and meals, sales and gasoline taxes attributed to visitors, income tax from Vermonters employed in the sector, and property taxes paid by second-home owners.



\$106.9 M

Rooms and Meals Tax Revenue Generated by Tourism Activity



\$373 M

Total Tax Revenue Generated by Tourism Activity



\$1,420

Tax Relief Per Year Per Vermont Household (262,767 households) from Tax Revenue by Visitor Spending

Visitation and Visitor Spending

Visitor spending consists of guest and second homeowner activity at attractions, outdoor recreation, lodging and dining establishments. Data shows that visitation trends remain strong, bringing economic activity to communities throughout the state and improving the bottom line of thousands of local businesses.



13.3 M

Visitors (includes overnight, day and drive-through visitors)



\$3.0 B

Visitor Spending at Attractions, Lodging and Dining Establishments



8.2 M

Overnight Stays (lodging, second homes, campgrounds and family)

Employment

Visitor spending supports the salaries of over 10% of Vermont's workforce. Tourism generates personal and business income that circulates through our communities via day-to-day commerce at local businesses. Tourism-related jobs include occupations in over 30 NAICS classifications and self-employment.



31,336

Jobs in the Tourism Industry



\$1.04 B

Wages Paid in the Tourism Industry)



10%

Percentage of Vermont's Workforce

Reach

Local businesses throughout the state, from cheesemakers to breweries to farm operations, in addition to attractions, outdoor recreation, lodging and dining establishments, benefit from visitor spending, impacting communities statewide. Top of the marketing funnel tactics by VDTM help individual properties and communities reach the largest possible audience.



63.9 M

Total Impressions from Paid Marketing Activity (2019)



886,944

Total Website Sessions on VermontVacation.com (2019)



119,666

Total Social Media Followers (as of 12/31/2019)



22,346

Vermont Vacation Packets Sent in Response to Requests for Information

FY 2022

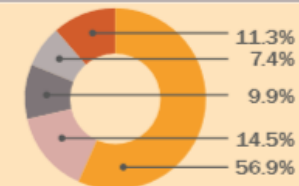
PROPOSED GENERAL FUND APPROPRIATION:

\$3.5 M

BUDGET

\$3,505,309

- Marketing and Advertising \$1,995,930
- Industry Outreach and Support \$509,182
- Communications and PR \$347,442
- Creative Services \$258,334
- Administration and Research \$394,421



Department of Tourism and Marketing

The Vermont Department of Tourism and Marketing's (VDTM) primary objective is to expand awareness of Vermont as a tourism destination and to increase the number of visitors to the state. More broadly, our mission is to promote Vermont's travel, recreation, cultural and historic attractions, as well as the state's goods and services, in coordination with public and private sector partners and to market to a global audience in a manner consistent with the values and traditions of the state for the economic benefit of all Vermonters.

Program Focus Areas

- Promote Vermont as a top, year-round, global tourism destination and an ideal place to live and work;
- Utilize owned, earned and paid media strategies and tactics;
- Collaborate with regional, industry and private partners;

Measuring Success

- Number of visitors
- Visitor spending
- Total tax revenue generated
- Jobs in the tourism industry sectors

COVID-19 Response

The Department was allocated \$6.5M to encourage visitation and consumer spending and publicize the resumption of activities and steps taken to ensure a safe experience. Activities included:

- Local, regional and national brand awareness campaigns, with aspirational and safe travel messaging
- Regional marketing and stimulus grant program (60 communities up to \$10K each)
- Buy Local statewide consumer stimulus discount program and BuyVermontMade.com holiday promotion
- Brand-building events to support arts and culture sector, long-term brand affinity and relocation
- Crisis communications, COVID-19 Resource Recovery Center, and business outreach and guidance

Fiscal Year 2022 Budget Development Form - Tourism & Marketing

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Tourism & Marketing: FY 2021 Approp	3,489,598	0	0	24,587	3,514,185
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)					0
FY 2021 After Other Changes	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	3,489,598	0	0	24,587	3,514,185
<u>Personal Services</u>					
Salary change	19,467				19,467
Fringe Benefit change	(16,802)				(16,802)
Total Salary/Benefit base change	2,665				2,665
					-
Other Personal Services - Temp Employees	(15,683)				(15,683)
					-
Internal Service Fee - Workers Comp	(1,209)				(1,209)
					-
Contracted 3rd Party Services	38,650			(4,587)	34,063
					-
Total Personal Services Change	24,423			(4,587)	19,836
<u>Operating</u>					
Internal Service Fees - base change (Insurances, VISION, ADS Allocated Fee)	(3,080)				(3,080)
					-
Net Operating changes to level fund: marketing, travel, equipment	(25,632)				(25,632)
					-
Total Operating Change	(28,712)			-	(28,712)
Subtotal of Increases/Decreases	(4,289)	0	0	(4,587)	(8,876)
FY 2022 Governor Recommend	3,485,309	0	0	20,000	3,505,309
Tourism & Marketing FY 2021 Appropriation	3,489,598	0	0	24,587	3,514,185
Reductions and Other Changes	0	0	0	0	0
SFY 2020 Total After Reductions and Other Changes	3,489,598	0	0	24,587	3,514,185
TOTAL INCREASES/DECREASES	(4,289)	0	0	(4,587)	(8,876)
Tourism & Marketing FY 2022 Governor Recommend	3,485,309	0	0	20,000	3,505,309

Dedicated Tourism & Marketing Funding Formula and Initial Investment (\$1M)

One-Time Funding

- The tourism and hospitality sector has suffered widespread disruption from the pandemic. Even with federal and state aid, many businesses remain on the brink. Recovery is estimated to take several years. Loss of visitor spending tops \$1B and keeps growing.
- Creates a “Tourism and Marketing Fund” that is supplemental to the State’s current marketing appropriation.
- Seeds the fund with \$1M
- Creates a dedicated funding formula from the Rooms and Meals tax generated annually that exceeds targets.
- Investment in tourism and hospitality is crucial for recovery, but also to stay competitive for longer term (Vermont has smallest tourism budget in New England)
- In CY2019, tourism activity generated \$373M in tax revenue and supported 31,000 jobs (10% of workforce)

Buy Local Consumer Stimulus Program (\$1M)

One-Time Funding

- Relaunch of the “Buy Local Vermont Consumer Stimulus Program” with a one-time investment of \$1 million to encourage Vermonters to shop local.
- The Buy Local Vermont Consumer Stimulus Program will provide consumers with a reason to return to our downtowns and village centers.
- That previous program invested \$500,000 of CRF funds and offered 11,846 Vermonters discounts at Vermont businesses. 974 businesses participated, receiving an average \$436 of CRF funding. The average offer incentivized a 73% additional spend from the consumer, 70% of which were first-time visitors to those businesses.
- The relaunched program is anticipated to impact 30,000 Vermonters and more than 1,500 businesses.

Fiscal Year 2022 Budget Development Form - ACCD-Administration

	General \$\$	Special \$\$	Federal \$\$	CRF \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 [Name]: FY 2021 Approp	3,171,540	0	391,000	750,000	0	4,312,540
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)						0
FY 2021 After Other Changes	0	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	3,171,540	0	391,000	750,000	0	4,312,540
Salary increases	7,926					7,926
Benefit increases	1,000					1,000
	8,926	0	0	0	0	8,926
Workers' Comp reduction	(3,128)					(3,128)
Total Personal Services Change	5,798	0	0	0	0	5,798
CRF Miscellaneous Operating Expense elimination				(750,000)		(750,000)
Internal Service Fee reductions	(18,256)					(18,256)
National Life Rent reduction	(8,726)					(8,726)
ADS SLA (Salesforce and Geocortex licenses) net increase	10,259					10,259
ADS Staffing Charges reduction	(12,545)					(12,545)
Operating increase -equipment	2,086					2,086
Total Operating Change	(27,182)	0	0	(750,000)	0	(777,182)
						0
Total Grants Change	0	0	0	0	0	0
						0
Subtotal of Increases/Decreases	(21,384)	0	0	(750,000)	0	(771,384)
FY 2022 Governor Recommend	3,150,156	0	391,000	0	0	3,541,156

Vermont 250th Commission (\$25k)

One-Time Funding

- Commission was established via Executive Order No. 06-20
- Established to plan, encourage, develop, coordinate, and promote observances and activities to be held in Vermont in commemoration of the historic events that preceded and are associated with the 250th anniversary of the American Revolution in the State of Vermont.
- Tasked with coordinating, reviewing, and promoting programs and activities throughout the state relating to the American Revolutionary War, in particular Vermont's involvement to deepen the knowledge and understanding of this formative period of American history.
- First meeting of the full Commission will occur on or before March 1, 2021.

Grants Management Systems Improvement (\$1M)

One-Time Funding

- This one-time funding will be used to complete a systems conversion that will enable the Agency, and several state partners, to utilize a central portal for manage customer relationships, and help the Agency immediately understand customer needs.
- There are several critical regional partners involved in managing customer/business retention and opportunities, and it is imperative that the State have available a centralized system that allows information to be passed along more efficiently.
- Efficient and centralized communication will translate into the Agency being able to act rapidly when opportunities arise, and through the data collected, will help in steering State partners towards collective statewide goals.