



Testimony on Public Hearing - Governor's FY22 Recommended Budget Adjustment

House Appropriations Committee

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The Vermont Chamber of Commerce is Vermont's largest statewide business organization representing 1,200 members distributed throughout the state and 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 Governor's FY22 recommended Budget Adjustments that could have a positive impact on Vermont's economic and workforce growth.

Workforce Crisis

Prior to the pandemic, the Vermont Future's Project determined that we need 10,000 new workers in the labor force annually. During Covid-19, Vermont businesses rallied, innovated, and pivoted but economic recovery from the ongoing health crisis and economic downturn has been impeded by a worsening of that labor shortage, spanning every industry. The US Chamber of Commerce cited Vermont's labor force participation decline during COVID-19 as being the largest in the nation.

Vermont State College Budget Adjustment

We have heard from members across the state that there is no more pressing issue for them than the availability of workforce. The requests for the Critical Occupations Scholarship, Welcome Home Scholarship, and CTE Pilot Program from the Vermont State College System all provide incentives for bringing more people into Vermont's workforce and we encourage you to support these.

Housing Program Budget Adjustment

Aging housing stock, tight supply, and rising prices near employment centers have forced people to make difficult choices about where to live and work. We need to increase the overall amount of housing units in Vermont while also focusing on housing options for low- and middle-income Vermonters to grow and retain our workforce. The Governor's funding requests for VHIP, VHCB, a rental risk pool, and a Missing Middle Home Ownership Development Pilot Program are a good start, and we encourage you to look at the whole housing picture. The Vermont Future's Project researched Vermont's housing crisis in 2021. Their analysis outlined three key factors contributing to Vermont's chronic housing condition: affordability, availability, and suitability.



There is not one solution to all these problems nor is there one subset of Vermonters that encounter them. Discussions about affordability, availability and suitability need additional emphasis on housing for those in Vermont's current and future workforce.

Members have called us with stories of prospective employees turning down job offers because they could not find adequate housing. Without other options, employers are coming up with innovative solutions. Sugarbush resort has engaged with its community to offer incentives in exchange for worker room rentals and purchased a motel to make available for worker housing. Southwest Medical Center is buying homes, renovating them to LEED standards, and selling to workers at cost. These are just a few examples, but we can't expect hospitals, service providers, and manufacturers to make housing development and real estate part of their business model.

Additional Policy Opportunities

We encourage the legislature to consider policies that

- Encourage the conversion of existing structures like underutilized office spaces and commercial buildings to create new housing opportunities.
- Modernize Act 250 housing regulations for our downtowns and village centers that will stimulate and expediate housing development in these areas with existing infrastructure capacity.
- Create a statewide registry of short-term rental units.
- Update the criteria for neighborhood development areas to allow more communities to access the benefits of the program.

There is no easy answer that will fix the labor force shortage crisis. The Vermont Chamber supports your efforts to look at the causes that contributed to where we are now, including housing, and to create solutions that put Vermont on a path forward.