

1 TO 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. APPROPRIATION

9 (a) In fiscal year 2022, the amount of \$1,000,000 is appropriated from the  
10 General Fund to the Department of Tourism and Marketing.

11 \* \* \* Technology-Based Economic Development \* \* \*

12 Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT  
13 PROGRAM

14 (a) Purpose.

15 (1) The COVID-19 pandemic has shown the devastating effects of over  
16 reliance on tourism and service - based economy can have on its citizens.

17 (2) The opportunity exists for Vermont to take a long-term view and  
18 approach towards strengthening its economic base by creating an environment  
19 where technology - based businesses can thrive.

20 (3) The goal is to take a long-term view towards strengthening  
21 Vermont’s economic base, to help raise the median wage, lower the overall tax

1 burden, help Vermont business remain competitive in national and global  
2 economies, and create strategic university partnerships that further the  
3 economic development goals of the State.

4 (4) To ensure Vermont remains relevant and competitive in the global  
5 economy over the next 20 years, the Technology Based Economic  
6 Development Program is designed to strengthen our State’s economic base by  
7 providing the essential tools and resources necessary to foster a climate where  
8 technology-based businesses can be created and thrive.

9 (5) The Vermont Department of Economic Development in partnership  
10 with the UVM Office of Engagement will help Vermont businesses looking to  
11 commercialize new technologies advanced through research and development.

12 (6) It will help existing tech and advanced manufacturing companies in  
13 Vermont remain relevant in the market by strengthening collaboration between  
14 industry and higher-ed.

15 (7) In the long-term it will help Vermonters in all 14 counties who want  
16 the opportunity to work at companies on the cutting edge of innovation.

17 (b) Matching Grants and Technical Support.

18 (1) The Department of Economic Development shall contract with a  
19 technical service provider to assist Vermont-based technology companies in  
20 applying for federal small business innovation research and small business  
21 technology transfer grants.

1           (2) Eligible Vermont companies who receive a federal SBIR/STTR  
2           Phase I or II grant are eligible to apply for a matching grant from the  
3           Department of Economic Development.

4           (3) Grantees are eligible for up to 50 percent of the federal award up to  
5           \$50,000.00.

6           (4) Build and market co-location and science service opportunities at  
7           UVM (i.e., mass spectrometry and scanning electron microscope services, etc.)  
8           in areas like materials science, aerospace and environmental sensor industries.

9           (c) Industry Research Partnership Program.

10           (1) Eligible Vermont companies can apply for grants to purchase  
11           services from universities and research institutions to stimulate innovation.

12           (2) Eligible uses include research and development assistance,  
13           technology assessments, product prototyping, lab validation, and overcoming  
14           product development hurdles.

15           (3) Grantees shall provide a dollar-for-dollar match to State funding.

16           (d) Furthering Economic Development.

17           (1) Utilizing other services and capabilities of UVM's office of  
18           engagement to help match students with opportunities at VT employers, enable  
19           and encourage alumni relocation to Vermont, and utilize data science  
20           capabilities to inform decisions and policy.



1           (B) Notwithstanding this high employer demand, due to rapidly  
2           changing technology and evolving business needs, potential employees may  
3           lack the particular skills and training necessary to qualify for available jobs.

4           (C) In order to assist employers and employees in matching demand  
5           to requisite skills, Vermont has a broad diversity of postsecondary workforce  
6           education and training programs offered by multiple providers, including  
7           programs administered or funded by State government, educational  
8           institutions, and business-lead groups ~~such as the Vermont Talent Pipeline~~  
9           ~~Management Project~~. The State should continue to work closely with these  
10          providers to identify and meet the needs of employers and employees.

11          (b) Postsecondary CTE System.

12           (1) The Department of Labor, in collaboration with the Agency of  
13           Education, the Vermont State Colleges, and the Vermont Adult Technical  
14           Education Association, and any consultant the Department hires for that  
15           purpose, shall consider and report to the General Assembly on the design,  
16           implementation, and costs of an integrated postsecondary career and technical  
17           education system that achieves the results specified in subdivision (a)(2) of this  
18           section.

19           (2) In performing their work, the Department, stakeholders, and any  
20           consultant shall conduct a broad-based stakeholder engagement process to  
21           solicit input from interested parties, and State agencies and departments shall

1 provide necessary information and assistance within their relative areas of  
2 expertise.

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

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

15 \* \* \* Group Insurance; Northern Borders Regional Commission \* \* \*

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

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

20 (a)(1) The Secretary of Administration may contract on behalf of the State  
21 with any insurance company or nonprofit association doing business in this

1 State to secure the benefits of franchise or group insurance. Beginning July 1,  
2 1978, the terms of coverage under the policy shall be determined under section  
3 904 of this title, but it may include:

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

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

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

1 engaged in and devoting substantially full-time to the conduct of the business  
2 of his or her public office.

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

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

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

20 (II) have attained 62 years of age, and have at least 15 years of  
21 service with that employer.

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

9 \* \* \*

10 \* \* \* Better Places Program \* \* \*

11 Sec. 6. FINDINGS; INTENT AND PURPOSE

12 (a) The General Assembly finds:

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

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

20 (3) Vermont's downtowns and villages increasingly depend on inviting  
21 public spaces that are robustly programmed to restore our distinct sense of

1 place, strengthen community pride and identity, and attract businesses, jobs,  
2 and talent.

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

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

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

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

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

20 (3) strategically coordinate and simplify the funding process from  
21 multiple community development funders, streamline the grantmaking and

1 distribution process, democratize community access to grant funds, and  
2 provide communities a nimble, flexible source to quickly fund and launch  
3 community-driven placemaking projects to make positive and enduring change  
4 locally; and

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

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

11 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

2           (3) any interest earned by the Fund.

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

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

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

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

18           (4) The minimum amount of a grant award is \$5,000 and the maximum  
19 amount of a grant award is \$50,000.

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 or 35 percent of  
8                   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  
10            number of jobs created, number of visitors, the approximate number of square  
11            feet to be activated or redeveloped, and the number of volunteers engaged in  
12            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 Quebec-based businesses is expected to  
10           generate increased employment, increase the range of job opportunities for  
11           Vermonters, and increase the dynamism of our communities.

12           (2) Investments in Vermont by outside businesses will increase the rate  
13           of growth for Vermont's economy;

14           (3) Increased investments in recruiting international businesses can lead  
15           to better wages, more attractive job opportunities, and broaden Vermont's tax  
16           base.

17           (4) From the past work of the Department of Economic Development,  
18           we know that small and mid-sized businesses in Quebec have a natural  
19           inclination to explore Vermont as the site for expansion in the U.S. market.

20           (5) Adding a Business Attraction and Investment Program, and the  
21           capability of a foreign trade representative to provide local recruitment

1 support, will allow the State of Vermont and its commercial entities to tap  
2 resources of institutions, enterprises, and people to a greater degree.

3 (6) A partnership with an FTR will provide the State with lead  
4 generation services, expansion monitoring, in-market representation, market  
5 intelligence, and the ability to engage and nurture high-growth companies  
6 primed for expansion.

7 Sec. 15. APPROPRIATION; REPORT

8 (a) In fiscal year 2022, the amount of \$300,000 is appropriated from the  
9 General Fund to the Department of Economic Development to provide funding  
10 for up to two years to contract with a foreign trade representative consistent  
11 with Sec. 19 of this act.

12 (b) Not less than 30 days after the first anniversary of the contract, the  
13 Agency of Commerce and Community Development shall report to the House  
14 Committee on Commerce and Economic Development and the Senate  
15 Committee on Economic Development, Housing and General Affairs  
16 concerning:

17 (1) the terms of the contract;

18 (2) the type and number of business contacts and engagement;

19 (3) the type of businesses, jobs, and wages brought to the State, if any;

20 (4) metrics to evaluate success of the contract and the representative.

21 Sec. 16. WORKFORCE TRAINING

1        In fiscal year 2022, the amount of \$20,500,000.00 is appropriated from the  
2        General Fund to the Vermont State Colleges, in coordination with the  
3        Department of Labor, for workforce training to serve Vermonters who have  
4        been impacted by the COVID-19 pandemic through layoffs, furloughs, reduced  
5        hours, or due to being employed in an industry that has been severely affected,  
6        as follows:

7                (1) Welcome Home Scholarships. \$4,000,000 to provide scholarships  
8                of \$5,000 per year or \$2,500 per semester for full-time students enrolled for  
9                12 or more credits, or \$3,000 per year or \$1,500 per semester for part-time  
10               students, to Vermonters transferring from out-of-state institutions or returning  
11               to school after exiting in 2020-2021. This program’s mission is to incentivize  
12               students to come home to Vermont by transferring to VSCS institutions and to  
13               complete their degree if they left school without finishing in 2020-2021.

14               (2) Degree Completion Program. \$3,000,000 to provide scholarships  
15               for up to 30 credits towards a credential of value for adult learners who have  
16               earned at least 40 credits towards an undergraduate degree and have a gap in  
17               attendance of at least two years.

18               (3) Critical Occupations; Graduate Internship Scholarships. \$2,000,000  
19               to provide scholarships for up to 12 credits and compensation of \$15 per hour  
20               for up to 240 hours per semester for graduate students who are required to

1 fulfill an internship or practicum requirement for a graduate degree in  
2 education or mental health counseling.

3 (4) Critical Occupations; Undergraduate Internship Scholarships.  
4 \$1,000,000 to provide compensation of \$15 per hour for up to 240 hours per  
5 semester for undergraduate students who are required to fulfill an internship or  
6 practicum requirement for an undergraduate degree in education or allied  
7 health.

8 (5) Free Tuition for Critical Occupation Careers. \$5,500,000 to provide  
9 free last dollar tuition for one year of undergraduate studies for critical  
10 occupation careers, including: Bookkeeping Certificate (CCV); IT Service  
11 Desk Specialist Certificate (CCV); Certified Production Technician (CCV);  
12 Graphic Design Certificate (CCV); Software & Web Dev Program (VTC);  
13 Practical Nursing Program (VTC); Electrical & Plumbing Apprenticeships  
14 (VTC); Childcare (CCV associates, NVU Bachelor's); Allied Health  
15 Certificate (CCV); Nursing Programs – (CU, VTC, or the Allied Health  
16 Certificate at CCV); Mental Health Counseling (NVU); Paramedicine (VTC);  
17 Dental Hygiene (VTC); Certificate in Accounting (CU/NVU); Small Business  
18 Management (NVU); Radiologic Science (VTC); and Respiratory Therapy  
19 (VTC).

20 (6) Workforce Development 2.0. \$3,000,000 to provide funding for up  
21 to six credits or two courses, including wraparound services, for Vermonters

1 whose employment was impacted by the COVID-19 public health emergency  
2 since March 13, 2020.

3 (7) Long-Term Care Facility PN Program. \$2,000,000 to provide  
4 funding for tuition and wraparound services for 40 students in high value  
5 career paths.

6 Sec. 17. MICROBUSINESS DEVELOPMENT PROGRAM

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

11 (b) In fiscal year 2022, the amount of X is appropriated from the General  
12 Fund to the Microbusiness Development Program to provide grants to eligible  
13 applicants for new business start-ups.

14 **Sec. 18. STATE BIPOC BUSINESS NETWORK SUPPORT**

15 (a) Intent.

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

19 (2) Vermont embraces its responsibility to course correct the historical  
20 impact of economic exploitation and exclusion from opportunity due to race

1 and ethnicity for American descendants of slavery and the broader Black,  
2 Indigenous, and other People of Color community.

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

10 (b) Findings.

11 (1) The Vermont Partnership for Fairness & Diversity conducted a  
12 survey of BIPOC businesses after the Emergency Recovery Grant programs  
13 closed. The survey analysis included three core recommendations: (1) form a  
14 state BIPOC Commission; (2) create a BIPOC business association; and (3)  
15 improve data collection and the state's understanding of BIPOC business'  
16 needs.

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

20 (A) allow BIPOC businesses to lead and define the formation of a  
21 business organization;

1           (B) offer more support to BIPOC businesses by assisting them in  
2           procuring state contracts, securing capital investment and customer cultivation,  
3           and finding technical support;

4           (C) improve language access and cultural competency practices  
5           within State economic development programs and strengthen connections to  
6           BIPOC businesses; and

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

9           (c) BIPOC business network.

10           (1) In fiscal year 2022 the amount of \$100,000 is appropriated from the  
11           General Fund to the Agency of Commerce and Community Development to  
12           provide funding for a contractor of not more than \$100,000 to convene BIPOC  
13           businesses, organizations, and community leaders and other business  
14           organizations, and representatives from State government to create a set of  
15           recommendations on how to launch a State BIPOC business network.

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

1           (3) Applications for the contract will be reviewed and selected by the  
2           Vermont Racial Equity Office and the Secretary of Commerce and Community  
3           Development.

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

5           § 2. BIPOC BUSINESS DEVELOPMENT

6           The Department of Economic Development shall design and implement an  
7           Economic Advancement Program and dedicate at least one full-time equivalent  
8           employee to oversee the following responsibilities:

9           (1) to cultivate and support BIPOC businesses including:

10           (A) technical assistance;

11           (B) grants and loans;

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

13           (D) business procurement contract assistance;

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

15           (F) start-up support;

16           (G) capital investment opportunities; and

17           (H) networking;

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

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

4           (4) to create an outreach program that includes language access for the  
5           three most used languages within Vermont other than English on all the  
6           programs offered to Vermont businesses within DEC.

7           **Sec. 20. ENTREPRENEURS' SEED CAPITAL FUND; GRANTS**

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

16           (b) Appropriation. The amount of \$1,000,000 is appropriated from the  
17           General Fund to the Entrepreneurs' Seed Capital Fund to provide risk stage  
18           seed capital to Vermont businesses that have experienced economic disruption  
19           either through reduced business, new business formation, or through an  
20           unmanageable increase in new business due to the COVID-19 crisis.

1       (c) Fast Capital Investment Program; categories. Notwithstanding any  
2       provision 10 V.S.A. § 290 to the contrary, the Fund shall award grants to  
3       business as follows:

4           (1) The Fund shall award grants to rapid seed and early growth stage  
5       employers that have a viable plan for recovery and growth.

6           (2) The Fund shall make expedited investments using simplified  
7       investment terms and instruments, including stock, convertible notes,  
8       forgivable loans, royalty financing or grants with equity warrants. The  
9       expected range per new investment is \$20,000 to \$100,000 from this  
10       appropriation with specific new emphasis on sourcing and funding BIPOC,  
11       veteran and women owned businesses.

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

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

21           (A) traditional in-person retail operations;

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

2           (C) restaurants and food service operations.

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6           (Committee vote: \_\_\_\_\_)

7

\_\_\_\_\_

8

Representative \_\_\_\_\_

9

FOR THE COMMITTEE