

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. TOURISM AND MARKETING; APRROPRIATION

9 (a) The tourism and hospitality sector has suffered widespread disruption
10 from the Covid-19 pandemic, with restaurant, lodging, entertainment, specialty
11 retail and related businesses, as well as cultural attractions, suffering job losses
12 and an uncertain ability to remain operational due to the travel restrictions
13 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 is appropriated from the
19 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 is appropriated from the
7 General Fund to the Agency of Commerce and Community Development to
8 design and implement a Technology-Based Economic Development Program,
9 consistent with the following:

10 (1) Small Business Innovation Research Technical Assistance.

11 \$200,000 to provide technical assistance to first-time applicants pursuing a
12 federal SBIR grant.

13 (2) Small Business Innovation Research Phase I and Phase II Matching

14 Grants. \$400,000 to provide a 50 percent State matching grant, up to \$50,000,
15 to businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

16 (3) \$200,000 to form an Industry Research Partnership Program 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 (B) to establish better relationships among Vermont businesses and
2 higher education researchers, speed time-to-market for new technologies, and
3 help keep Vermont companies relevant in the marketplace.

4 (4) University of Vermont Office of Engagement. \$200,000 for a pass-
5 through grant to the University of Vermont Office of Engagement to leverage
6 the services and capabilities of UVM’s office of engagement to help match
7 students with opportunities at Vermont employers, enable and encourage
8 alumni relocation to Vermont, and utilize data science capabilities to inform
9 decisions and policy.

10 * * * Postsecondary CTE System * * *

11 Sec. 4. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:

12 Sec. 6. POSTSECONDARY CAREER AND TECHNICAL EDUCATION
13 SYSTEM

14 (a) Findings; purpose.

15 (1) Findings. The General Assembly finds:

16 (A) Like many rural states, Vermont faces demographic realities that
17 have resulted in an historically low unemployment rate and created obstacles
18 for employers that seek to hire and retain enough fully trained employees.

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

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

8 (b) Postsecondary CTE System.

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

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

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

14 In fiscal year 2022 the amount of \$75,000 is appropriated from the General
15 Fund to the Department of Labor to implement Sec. 4 of this act.

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

17 Sec. 6. 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. 7. 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. 8. 24 V.S.A. § 2799 is added to read:

13 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

14 (a)(1) There is created a Better Places Program within the Department of
15 Housing and Community Development, and a 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 and the maximum
21 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. 9. 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. 11. 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. 13. 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. 15. 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) From the past work of the Department of Economic Development,
13 we know that small and mid-sized businesses in Quebec have a natural
14 inclination to explore Vermont as the site for expansion in the U.S. market.

15 (3) Developing a program to attract businesses and investment from
16 Quebec and engaging the services of a foreign trade representative to provide
17 local recruitment support can allow the State and its businesses to tap resources
18 of institutions, enterprises, and people to a greater degree, and to develop lead
19 generation services, expansion monitoring, in-market representation, market
20 intelligence, and the ability to engage and nurture high-growth companies
21 primed for expansion.

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

5 Sec. 16. APPROPRIATION; REPORT

6 (a) In fiscal year 2022, the amount of \$300,000 is appropriated from the
7 General Fund to the Agency of Commerce and Community Development to
8 provide funding for up to two years to contract with a foreign trade
9 representative consistent with Sec. 15 of this act.

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

14 (1) the terms of the contract;

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

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

20 (1) the type and number of business contacts and engagement;

21 (2) the type of businesses, jobs, and wages brought to the State.

1 * * * Workforce Development and Education* * *

2 Sec. 17. WORKFORCE DEVELOPMENT AND EDUCATION

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

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

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

1 (3) Critical Occupations; Graduate Internship Scholarships. \$2,000,000
2 to provide scholarships for up to 12 credits and compensation of \$15 per hour
3 for up to 240 hours per semester for graduate students who are required to
4 fulfill an internship or practicum requirement for a graduate degree in
5 education or mental health counseling.

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

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

19 (6) Workforce Development 2.0. \$3,000,000 to provide funding for up
20 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 LPN Program. \$2,000,000 to provide
4 funding for tuition and wraparound services for students to pursue a practical
5 nursing certificate program.

6 Sec. 18. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

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 \$200,000 is appropriated from the
12 General Fund to the Department for Children and Families, Office of
13 Economic Opportunity for pass-through grants to the Community Action
14 Agencies to provide funding for the regional Microbusiness Development
15 Programs pursuant to 3 V.S.A. § 3722.

16 (c) In fiscal year 2022, the amount \$2,000,000 is appropriated to the
17 Department for Children and Families, Office of Economic Opportunity, to be
18 granted to the Community Action Agencies for the Statewide Community
19 Action Network's Economic Micro Business Recovery Assistance for the
20 COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont

1 microbusiness owners impacted by COVID-19 business closure orders with
2 access to grants and technical assistance.

3 Sec. 19. STATE BIPOC BUSINESS NETWORK DEVELOPMENT

4 (a) Intent.

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

8 (2) Vermont embraces its responsibility to course correct the historical
9 impact of economic exploitation and exclusion from opportunity due to race
10 and ethnicity for American descendants of slavery and the broader Black,
11 Indigenous, and other People of Color community.

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

19 (b) Findings.

20 (1) The Vermont Partnership for Fairness & Diversity conducted a
21 survey of BIPOC businesses after the Emergency Recovery Grant programs

1 closed. The survey analysis included three core recommendations: (1) form a
2 state BIPOC Commission; (2) create a BIPOC business association; and (3)
3 improve data collection and the State’s understanding of BIPOC business
4 needs.

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

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

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

13 (C) improve language access and cultural competency practices
14 within State economic development programs and strengthen connections to
15 BIPOC businesses; and

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

18 (c) BIPOC business network.

19 (1) In fiscal year 2022 the amount of \$100,000 is appropriated from the
20 General Fund to the Agency of Commerce and Community Development to
21 provide funding for a contractor of not more than \$100,000 to convene BIPOC

1 businesses, organizations, and community leaders and other business
2 organizations, and representatives from State government to create a set of
3 recommendations on how to launch a State BIPOC business network.

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

9 (3) Applications for the contract will be reviewed and selected by the
10 Executive Director of Racial Equity, the Racial Equity Advisory Panel, and the
11 Secretary of Commerce and Community Development.

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

13 § 2. BIPOC BUSINESS DEVELOPMENT

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

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

18 (A) technical assistance;

19 (B) grants and loans;

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

21 (D) business procurement contract assistance;

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

2 (F) start-up support;

3 (G) capital investment opportunities; and

4 (H) networking;

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

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

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

13 Sec. 20. ENTREPRENEURS’ SEED CAPITAL FUND

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

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

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

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

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

14 (3) The expected range per new investment is \$20,000 to \$100,000 from
15 this appropriation.

16 (4) The Fund shall prioritize sourcing and funding on BIPOC, veteran,
17 and women owned businesses.

18 (5) In continuing to serve the Vermont innovation ecosystem and
19 notwithstanding the expedited program timeline, the Fund shall pursue co-
20 investment participation from local and regional investors, including Vermont

1 venture funds, family offices, community foundations, accredited individual
2 “angel” investors, lending institutions, and other relevant sources.

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

7 (A) traditional in-person retail operations;

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

9 (C) restaurants and food service operations.

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

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

15 **(B) The appointing authorities shall coordinate their appointments to**
16 **ensure that a majority of the Board comprises women and BIPOC identified**
17 **individuals.**

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

1 (D) The Board of Advisors shall be advised of investments made by
2 the Fund and shall have access to all information held by the Fund with respect
3 to investments made by the Fund.

4 Sec. 22. EFFECTIVE DATE

5 This act shall take effect on July 1, 2021.

6

7 (Committee vote: _____)

8

9

Representative _____

10

FOR THE COMMITTEE