

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 159 entitled “An act relating to community
4 and economic development and workforce revitalization” respectfully reports
5 that it has considered the same and recommends that the Senate propose to the
6 House that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

8 * * * Tourism and Marketing * * *

9 Sec. 1. TOURISM AND MARKETING; APPROPRIATION

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

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

19 (c) Of the \$2,000,000.00 appropriated in Sec. G.302(a)(15) of H.439 to the
20 Department of Tourism and Marketing, the Department shall allocate funding
21 as follows:

1 (1) \$1,250,000.00 to promote Vermont’s travel, recreation, culinary,
2 arts, culture, agritourism, and heritage experiences to attract visitors and
3 stimulate visitor spending with local attractions and small businesses in rural
4 communities and throughout the State; and

5 (2) \$750,000.00 to develop a grant program to enable local, regional, or
6 statewide organizations to implement campaigns and initiatives that increase
7 consumer spending, support local businesses, and advance community
8 recovery efforts to support businesses in Vermont that have suffered economic
9 harm due to the COVID-19 public health emergency.

10 (d) The Department shall ensure that funds appropriated in this section are
11 distributed equitably to reach a broad audience, including underrepresented
12 communities and new and diverse communities of visitors.

13 (e) On or before February 15, 2022, the Department shall submit to the
14 Senate Committee on Housing, Economic Development and General Affairs
15 and the House Committee on Commerce and Economic Development a report
16 on the use and outcomes of funding allocated in this section.

17 * * * Technology-Based Economic Development * * *

18 Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

19 PROGRAM; APPROPRIATION

20 (a) Of the \$800,000.00 appropriated in Sec. G.302(a)(10) of H.439 to the
21 Agency of Commerce and Community Development, the Agency shall allocate

1 funds to design and implement a technology-based economic development
2 program that promotes technology-based businesses and provides assistance to
3 Vermont businesses that have suffered economic harm due to the COVID-19
4 public health emergency, consistent with the American Rescue Plan Act of
5 2021, consistent with the following:

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

9 (2) SBIR; STTR; Phase I and Phase II matching grants. A total of
10 \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to
11 businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

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

14 (A) to purchase services and technical assistance from universities
15 and research institutions, including research and development assistance,
16 technology assessments, product prototyping, lab validation, and overcoming
17 development hurdles; and

18 (B) to establish better relationships among Vermont businesses and
19 higher education researchers, speed time-to-market for new technologies, and
20 help keep Vermont companies relevant in the marketplace.

1 (A) ~~consultant the Department hires for that purpose, issue a request~~
2 for proposals and hire a consultant on or before September 1, 2022; and

3 (B) shall ~~consider and~~ report to the General Assembly on the design,
4 implementation, and costs of an integrated postsecondary career and technical
5 education system that achieves the results specified in subdivision (a)(2) of this
6 section.

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

12 (c) ~~Report~~ Reporting. The Department of Labor shall report to the House
13 Committee on Commerce and Economic Development and to the Senate
14 Committee on Economic Development, Housing and General Affairs
15 concerning the implementation of this section as follows:

16 (1) on or before April 15, 2022, a status update addressing the progress
17 on designing the request for proposals and the stakeholder engagement
18 process;

19 (2) On or before January 15, 2020 2023, the Department of Labor
20 shall submit a preliminary report on the status of its work as of that date; and

1 (3) on or before December 15, 2023, a final report with any
2 recommendations for legislative action to the House Committee on Commerce
3 and Economic Development and the Senate Committee on Economic
4 Development, Housing and General Affairs.

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

12 Sec. 4. APPROPRIATION

13 The Department of Labor shall allocate not more than \$75,000.00 from the
14 amounts available in the Workforce Expansion Fund to implement Sec. 3 of
15 this act.

16 * * * Better Places Program * * *

17 Sec. 5. FINDINGS; INTENT AND PURPOSE

18 (a) The General Assembly finds:

19 (1) The COVID-19 pandemic has devastated our economy through
20 business closures and job losses, and physical distancing requirements have

1 exacerbated social isolation and impacted Vermonters’ quality of life and sense
2 of community.

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

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

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

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

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

20 (1) enhance the livability and unique sense of place in Vermont’s
21 downtowns and villages by providing funding, training, and resources to

1 support investments in public spaces and local placemaking projects that build
2 prosperous, equitable, healthy, and resilient communities;

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

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

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

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

18 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

9 (3) any interest earned by the Fund.

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

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

18 (2) The Department may award a grant to a municipality, a nonprofit
19 organization, or a community group with a fiscal sponsor for a project that is
20 located in or serves a designated downtown, village center, new town center, or

1 neighborhood development area that will create a new public space or
2 revitalize or activate an existing public space.

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

5 (4) The minimum amount of a grant award is \$5,000.00 and the
6 maximum amount of a grant award is \$30,000.00.

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

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

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

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

15 (D) An applicant shall provide matching funds raised through
16 crowdfunding of not less than 33 percent of the grant award.

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

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

5 Sec. 7. APPROPRIATION

6 The Agency of Commerce and Community Development shall transfer the
7 amount of \$1,000,000.00 appropriated to it in Sec. G.302(a)(11) for a Better
8 Places grant program to the Better Places Fund to provide grants in fiscal years
9 2022 and 2023 through the Better Places Program.

10 Sec. 8. BETTER PLACES PROGRAM; REPEAL; EFFECTIVE DATE

11 24 V.S.A. § 2799 (Better Places Program and Fund) is repealed on July 1,
12 2023.

13 Sec. 9. BETTER PLACES PROGRAM; REPORT

14 (a) On January 15, 2022 and 2023, the Department of Housing and
15 Community Development shall submit to the Senate Committee on Economic
16 Development, Housing and General Affairs and the House Committee on
17 Commerce and Economic Development a report regarding the activities of the
18 Better Places Program.

19 (b) The reports shall:

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

- 1 (2) report on partner resources and contributions to the Program; and
2 (3) report on any measurable economic activity, which may include the
3 number of jobs created, the number of visitors, the approximate number of
4 square feet to be activated or redeveloped, and the number of volunteers
5 engaged in the project.

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

7 Sec. 10. FINDINGS

8 (a) The General Assembly finds:

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

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

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

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

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

7 Sec. 11. APPROPRIATION; REPORT

8 (a) The Agency of Commerce and Community Development shall use the
9 \$300,000.00 appropriated from the General Fund in Sec. G.302(b)(1) of H.439
10 to provide funding for up to two years for a contract with a foreign trade
11 representative consistent with this act.

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

16 (1) the terms of the contract; and

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

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

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

5 * * * Workforce Development and Education * * *

6 Sec. 12. WORKFORCE DEVELOPMENT AND EDUCATION

7 (a) Findings.

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

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

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

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

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

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

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

12 (b) Purpose. In light of these findings, it is the intent of the General
13 Assembly to provide funding in the Big Bill to expand opportunities for
14 education at the Vermont State Colleges for Vermonters:

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

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

1 Sec. 13. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

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

6 (b) To continue the success of the Microbusiness Development Program, in
7 fiscal year 2022, the General Assembly has appropriated the following
8 amounts in H.439:

9 (1) the amount of \$200,000.00 in additional base funding from the
10 General Fund to the Department for Children and Families, Office of
11 Economic Opportunity, for pass-through grants to the Community Action
12 Agencies to provide funding for the regional Microbusiness Development
13 Programs pursuant to 3 V.S.A. § 3722; and

14 (2) the amount of \$1,500,000.00 from the funds available to the State
15 under the American Rescue Plan Act of 2021 to the Department for Children
16 and Families, Office of Economic Opportunity, to be granted to the
17 Community Action Agencies for the Statewide Community Action Network’s
18 Economic Micro Business Recovery Assistance for the COVID-19 Epidemic
19 (EMBRACE) to assist the Vermont microbusiness owners impacted by
20 COVID-19 and for new businesses started by individuals who have been

1 impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced
2 hours or due to being employed in an industry that has been severely affected.

3 Sec. 14. STATE BIPOC BUSINESS 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 Persons of Color community.

12 (3) In order to rectify this history of inequity, it is the intent of this
13 General Assembly 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 and Diversity conducted a
21 survey of BIPOC businesses after the Emergency Recovery Grant programs

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

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

7 (A) allow BIPOC businesses to lead and define how to strengthen
8 economic development for BIPOC-owned businesses and what organizational
9 structures would best support the Vermont BIPOC business community;

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 (3)(A) The Secretary of State, in cooperation with the Agency of Digital
19 Services, is leading the development project for the creation of a business
20 portal to deliver a single point of entry for Vermont businesses to interact with
21 the State across multiple agencies and departments.

1 (B) When the portal becomes active, which is projected to occur in
2 2022, the Secretary of State will collect data on race, ethnicity, and gender for
3 individuals registering businesses.

4 (c) BIPOC business development project.

5 (1)(A) The Agency of Commerce and Community Development shall
6 use the \$150,000.00 appropriated in Sec. G.302(a)(13) to provide funding for
7 one or more contractors to convene BIPOC businesses, organizations, and
8 community leaders; other business organizations; and representatives from the
9 Agency of Commerce and Community Development and other State agencies
10 and departments as necessary, to create a set of recommendations on how to
11 support BIPOC business development, which may include the creation of a
12 BIPOC business network, the creation of minority business development
13 center or authority, or one or more other similar entities or organizations.

14 (B) Not more than five percent of the amount appropriated in this
15 section may be used for administrative purposes, including translation services.

16 (2) The Executive Director of Racial Equity and the Racial Equity
17 Advisory Panel, with the collaboration and support of the Agency of
18 Commerce and Community Development, shall:

19 (A) issue a request for proposals on or before August 15, 2021; and

20 (B) finalize hiring and ensure that work under any contracts issued
21 begins on or before October 15, 2021.

1 (3)(A) The request for proposals shall include the following
2 requirements for a qualified contractor:

3 (i) demonstrated experience working with BIPOC businesses or
4 populations, or both;

5 (ii) knowledge of the Vermont business industries and
6 concentrations of BIPOC-owned businesses;

7 (iii) proposal on how to convene stakeholders, provide
8 information, and conduct outreach that includes language access for limited
9 English-proficient individuals;

10 (iv) economic and business development expertise; and

11 (v) experience in organizational structures.

12 (B) In making their selection, the Panel, Executive Director, and
13 Agency shall give priority to a contractor with experience working with
14 BIPOC-owned businesses and knowledge of the Vermont business
15 community.

16 (C) The Agency shall cause the request for proposals to be translated
17 upon request of a potential applicant.

18 (4)(A) On or before February 15, 2022, each contractor shall deliver to
19 the Panel, the Director, the Agency, and the legislative committees of
20 jurisdiction a preliminary report on financial resources and policy changes
21 needed to support BIPOC business development.

1 (B) On or before July 1, 2022, each contractor shall submit a final
2 report summarizing the process and deliberations and a final set of
3 recommendations on what entities, organizations, or other measures will best
4 support BIPOC business development.

5 (d) Collection of data.

6 (1)(A) The Secretary of State shall collect race, ethnicity, and gender
7 data for individuals registering businesses in the State of Vermont as part of its
8 business portal and for individuals seeking licensure, certification, or
9 registration through the Office of Professional Regulation.

10 (B) The Secretary shall ensure that data collection pursuant to this
11 subsection is achieved through voluntary procedures and the collection of data
12 does not affect, and does not create the perception that the information
13 provided affects, any action of the Secretary or the Office of Professional
14 Regulation.

15 (2) The Secretary shall provide data from the portal and from the Office
16 of Professional Regulation to the Secretary of Administration, who shall make
17 the data available to relevant agencies and departments within State
18 government to inform economic development policy priorities and strategies as
19 it relates to BIPOC-, women-, and gender non-binary-owned businesses and
20 their needs as businesses and employers.

1 (3) Once completed, the Secretary of State shall incorporate
2 recommendations related to data collection from the BIPOC business
3 development project created in this section.

4 Sec. 15. ENTREPRENEURS’ SEED CAPITAL FUND

5 (a) Entrepreneurs’ Seed Capital Fund. The Entrepreneurs’ Seed Capital
6 Fund, created by the Vermont Economic Development Authority pursuant to
7 10 V.S.A. § 291, is a \$5.1 million revolving “evergreen” capital fund in
8 operation since 2010 serving Vermont’s entrepreneurs and early-stage
9 technology-enabled companies for job growth, income potential, and wealth
10 creation. Since inception, the Fund’s portfolio companies have now raised in
11 excess of \$182 million. The Fund is professionally managed by the Vermont
12 Center for Emerging Technologies (VCET).

13 (b) Appropriation. The General Assembly has appropriated the amount of
14 \$900,000.00 from the General Fund to the Entrepreneurs’ Seed Capital Fund in
15 Sec. G.302(b)(2) of H.439 to provide risk stage seed capital to Vermont
16 businesses that have experienced economic disruption either through reduced
17 business, new business formation, or through an unmanageable increase in new
18 business due to the COVID-19 crisis.

19 (c) Investment; categories. Notwithstanding any provision of 10 V.S.A.
20 § 290 to the contrary, the Fund shall invest in businesses consistent with the
21 following:

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

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

6 (3) The expected range per new investment is \$20,000.00 to
7 \$100,000.00 from this appropriation.

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

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

15 (6) Prior to providing seed capital, the Fund shall ensure that an
16 applicant has consulted with, and has accessed any available funding from, the
17 Vermont Economic Development Authority.

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

21 (1) traditional in-person retail operations;

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

2 (3) restaurants and food service operations.

3 Sec. 16. 10 V.S.A. § 291(b)(3) is amended to read:

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

8 (B) The appointing authorities shall coordinate their appointments to
9 ensure that the Board comprises advisors with diverse professional and
10 personal backgrounds and experiences.

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

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

17 **Sec. 17. SEED CAPITAL FUND; REPORT**

18 On or before January 15, 2022 the Seed Capital Fund shall report to the
19 Senate Committee on Economic Development, Housing and General Affairs
20 and to the House Committee on Commerce and Economic Development
21 concerning:

1 (a) The Agency of Commerce and Community Development shall design
2 and implement a program to award incentive grants to relocating employees as
3 provided in this section and subject to the policies and procedures the Agency
4 adopts to implement the program.

5 (b) A relocating employee may be eligible for a grant under the program
6 for qualifying expenses, subject to the following:

7 (1) A base grant shall not exceed \$5,000.00.

8 (2) The Agency may award an enhanced grant, which shall not exceed
9 \$7,500.00, for a relocating employee who becomes a resident in a labor market
10 area in this State in which:

11 (A) the average annual unemployment rate in the labor market area
12 exceeds the average annual unemployment rate in the State; or

13 (B) the average annual wage in the State exceeds the annual average
14 wage in the labor market area.

15 (c) The Agency shall:

16 (1) adopt procedures for implementing the program, which shall include
17 a simple certification process to certify relocating employees and qualifying
18 expenses;

19 (2) promote awareness of the program, including through coordination
20 with relevant trade groups and by integration into the Agency's economic
21 development marketing campaigns;

1 (3) award grants to relocating employees on a first-come, first-served
2 basis beginning on July 1, 2021, subject to available funding; and

3 (4) adopt measurable goals, performance measures, and an audit strategy
4 to assess the utilization and performance of the program.

5 (d) Annually, on or before December 15, the Agency shall submit a report
6 to the House Committee on Commerce and Economic Development and the
7 Senate Committee on Economic Development, Housing and General Affairs
8 concerning the implementation of this section, including:

9 (1) a description of the policies and procedures adopted to implement
10 the program;

11 (2) the promotion and marketing of the program;

12 (3) an analysis of the utilization and performance of the program,
13 including the projected revenue impacts and other qualitative and quantitative
14 returns on investment in the program based on available data and modeling.

15 (e) As used in this section:

16 (1) “Qualifying expenses” means the actual costs a relocating employee
17 incurs for one or more of the following:

18 (A) relocation expenses, which may include moving costs, closing
19 costs for a primary residence, rental security deposit, one month’s rent
20 payment, and other relocation expenses established in Agency guidelines;

1 (B) reasonable and necessary costs, considering the employee’s
2 location and employment position, to access or upgrade broadband Internet
3 connectivity or to acquire membership in a co-working or similar space.

4 (2) “Relocating employee” means an individual who on or after July 1,
5 2021 meets the following criteria:

6 (A) The individual becomes a full-time resident of this State.

7 (B) The individual:

8 (i)(I) becomes a full-time employee at a Vermont location of a
9 business domiciled or authorized to do business in this State; and

10 (II) the employer attests to the Agency that, after reasonable
11 time and effort, the employer has been unable to fill the employee’s position
12 from among Vermont applicants; or

13 (ii) is a full-time employee of an out-of-state business and
14 performs the majority of his or her employment duties remotely from a home
15 office or a co-working space located in this State.

16 (C) The individual receives gross salary or wages that equal or
17 exceed:

18 (i) 160 percent of the State minimum wage; or

19 (ii) 140 percent of the State minimum wage if:

20 (I) the individual becomes a full-time employee at a Vermont
21 location of a business domiciled or authorized to do business in this State that

1 is located in a Vermont labor market area in which the average annual
2 unemployment rate is higher than the average annual unemployment rate for
3 the State; or

4 (II) the individual is a full-time employee of an out-of-state
5 business and performs the majority of his or her employment duties remotely
6 from a home office or a co-working space located in this State, and the
7 individual becomes a resident in a Vermont labor market area in which the
8 average annual unemployment rate is higher than the average annual
9 unemployment rate for the State.

10 (D) The individual is subject to Vermont income tax.

11 **Sec. 20. IMPLEMENTATION; FUNDING; TRANSITION; REPORT**

12 (a) It is the intent of the General Assembly to consolidate into a single
13 program:

14 (1) the funding and activities of the New Remote Worker Grant Program
15 created in 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts
16 and Resolves No. 80, Sec. 15; and

17 (2) the funding and activities of the New Worker Relocation Incentive
18 Program created by 2019 Acts and Resolves No. 80, Sec. 12.

19 (b) Consistent with subsection (a) of this section, the Agency of Commerce
20 and Community Development may use any remaining funds appropriated to it

1 for the New Remote Worker Grant Program and the New Worker Relocation

2 Incentive Program to:

3 (1) award incentives to new remote workers and new relocating workers
4 who qualify for an incentive under either of those programs until July 1, 2021;
5 and

6 (c) On or before January 15, 2022, the Agency of Commerce and
7 Community Development shall report to the Senate Committee on Economic
8 Development, Housing and General Affairs and to the House Committee on
9 Commerce and Economic Development concerning any recommended changes
10 to the program created in 10 V.S.A § as created in this act, including any
11 residency requirements or other further changes on new employee eligibility.

12 **Sec. 21. REPEALS**

13 The following are repealed:

14 (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts
15 and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

16 (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation
17 Incentive Program).

18 *** * * Capital Investment Grants * * ***

19 **Sec. 22. CAPITAL INVESTMENT GRANT PROGRAM**

20 (a) Creation; purpose; regional outreach.

1 (1) The Agency of Commerce and Community Development shall use
2 the \$11,000,000.00 appropriated to the Department of Economic Development
3 in Sec. G.302(a)(6) of H.439 to design and implement a capital investment
4 grant program consistent with this section.

5 (2) The purpose of the program is to make funding available for
6 transformational projects that will provide each region of the State with the
7 opportunity to attract businesses, retain existing businesses, create jobs, and
8 invest in their communities by encouraging capital investments and economic
9 growth.

10 (3) The Agency shall collaborate with other State agencies, regional
11 development corporations, regional planning commissions, and other
12 community partners to identify potential regional applicants and projects to
13 ensure the distribution of grants throughout the regions of the State.

14 (b) Eligible applicants.

15 (1) To be eligible for a grant, an applicant shall meet the following
16 criteria:

17 (A) The applicant is located within this State.

18 (B) The applicant is:

19 (i)(I) a for-profit entity with not less than a 10 percent equity
20 interest in the project; or

21 (II) a nonprofit entity; and

1 (ii) grant funding from the Program represents not more than 50
2 percent of the total project cost.

3 (C) The applicant demonstrates:

4 (i) community and regional support for the project;

5 (ii) that grant funding is needed to complete the project;

6 (iii) leveraging of additional sources of funding from local, State,
7 or federal economic development programs; and

8 (iv) an ability to manage the project, with requisite experience and
9 a plan for fiscal viability.

10 (2) The following are ineligible to apply for a grant:

11 (A) a State or local government-operated business;

12 (B) a municipality;

13 (C) a business that, together with any affiliated business, owns or
14 operates more than 20 locations, regardless of whether those locations do
15 business under the same name or within the same industry; and

16 (D) a publicly-traded company.

17 (c) Awards; amount; eligible uses.

18 (1) An award shall not exceed the lesser of \$500,000.00 or the estimated
19 net State fiscal impact of the project based on Agency modeling.

20 (2) A recipient may use grant funds for the acquisition of property and
21 equipment, construction, renovation, and related capital expenses.

1 (3) A recipient may combine grant funds with funding from other
2 sources but shall not use grant funds from multiple sources for the same costs
3 within the same project.

4 (4) The Agency shall release grant funds upon determining that the
5 applicant has met all Program conditions and requirements.

6 (5) Nothing in this section is intended to prevent a grant recipient from
7 applying for additional grant funds if future amounts are appropriated for the
8 program.

9 (d) Data model; approval.

10 (1) The Agency shall collaborate with the Legislative Economist to
11 design a data model and related methodology to assess the fiscal, economic,
12 and societal impacts of proposals and prioritize them based on the results.

13 (2) The Agency shall present the model and related methodology to the
14 Joint Fiscal Committee for its approval not later than September 1, 2021.

15 (e) Application process; decisions; awards.

16 (1)(A) The Agency shall accept applications on a rolling basis for three-
17 month periods and shall review and consider for approval the group of
18 applications it has received as of the conclusion of each three-month period.

19 (B) The Agency shall make application information available to the
20 Legislative Economist and the Executive Economist in a timely manner.

1 (2) Using the data model and methodology approved by the Joint Fiscal
2 Committee, the Agency shall analyze the information provided in an
3 application to estimate the net State fiscal impact of a project, including the
4 following factors:

5 (A) increase to grand list value;

6 (B) improvements to supply chain;

7 (C) jobs impact, including the number and quality of jobs; and

8 (D) increase to State GDP.

9 (3) The Secretary of Commerce and Community Development shall
10 appoint an interagency team, which may include members from among the
11 Department of Economic Development, the Department of Housing and
12 Community Development, the Agency of Agriculture, Food and Markets, the
13 Department of Public Service, the Agency of Natural Resources, or other State
14 agencies and departments, which team shall review, analyze, and recommend
15 projects for funding based on the estimated net State fiscal impact of a project
16 and on other contributing factors, including:

17 (A) transformational nature of the project for the region;

18 (B) project readiness, quality, and demonstrated collaboration with
19 stakeholders and other funding sources;

20 (C) alignment and consistency with regional plans and priorities; and

21 (D) creation and retention of workforce opportunities.

1 (4) The Secretary of Commerce and Community Development shall
2 consider the recommendations of the interagency team and shall give final
3 approval to projects.

4 (f) Grant agreements; post award monitoring. If selected by the Secretary,
5 the applicant and the Agency shall execute a grant agreement that includes
6 audit provisions and minimum requirements for the maintenance and
7 accessibility of records that ensures that the Agency and the Auditor of
8 Accounts have access and authority to monitor awards.

9 (g) Report. On or before December 15, 2021 the Agency shall submit a
10 report to the House Committee on Commerce and Economic Development and
11 the Senate Committee on Economic Development, Housing and General
12 Affairs concerning the implementation of this section, including:

13 (1) a description of the implementation of the program;

14 (2) the promotion and marketing of the program;

15 (3) an analysis of the utilization and performance of the program,

16 including the projected revenue impacts and other qualitative and quantitative
17 returns on investment in the program based on available data and modeling.

18 *** Economic Recovery Grants ***

19 Sec. 23. ECONOMIC RECOVERY GRANTS

20 (a) The Agency of Commerce and Community Development shall use the
21 \$20,000,000.00 appropriated to it in Sec. G.302(a)(7) of H.439 for Economic

1 Recovery grants and the amounts appropriated to it in 2021 Acts and Resolves
2 No. 9, Sec. 3, to provide grants to businesses consistent with the requirements
3 of that Sec. 3 and further subject to the following:

4 (1) The value of a grant shall not exceed the lesser of a business's net
5 adjusted loss, three months of fixed expenses, or \$150,000.00.

6 (2) The Agency shall defer final calculation and payment of grant
7 awards for a reasonable period of time to determine the availability of COVID-
8 19-related financial assistance from other State and federal sources.

9 (3) The Agency may adjust the calculation of tax loss for non-COVID-
10 19-related items, including carry forward losses and depreciation.

11 (b) On or before December 15, 2021 the Agency shall submit a report to
12 the House Committee on Commerce and Economic Development and the
13 Senate Committee on Economic Development, Housing and General Affairs
14 concerning the implementation of this section, including detailed information
15 concerning business grant recipients and recommendations for any necessary
16 legislative action to adjust program criteria and benefits.

17 * * * Apprenticeships * * *

18 **Sec. 24. APPRENTICESHIPS**

19 (a) The Department shall use the \$2,000,000.00 appropriated to it in Sec.
20 G.300(a)(1) of H.439 for the expansion of registered apprenticeship enrollment
21 in current or new programs as described below:

1 (1) The Department shall use not more than \$100,000.00 to conduct a
2 comprehensive outreach and recruitment effort to enroll new workers into a
3 federally-recognized registered apprenticeship program.

4 (2) The Department shall use not more than \$1,525,000.00 for related
5 instruction or on-the-job training costs for new apprentices and shall develop a
6 standard system of for application for reimbursement not later than August 1,
7 2021.

8 (3) The Department shall use not more than \$375,000.00 to administer a
9 voucher system of not more than \$750.00 for new apprentices or their sponsors
10 to pay for equipment, tools, supplies, or textbooks needed during their first
11 year.

12 (b) The Department may use not more than eight percent of the amounts
13 appropriated in this section to administer the grants and activities described
14 above.

15 (c) The Department shall provide funding pursuant to this section
16 consistent with the following priorities:

17 (1) expanding new apprenticeship opportunities rather than supplanting
18 existing employer-funded opportunities;

19 (2) supporting vocations that otherwise lack, or are unlikely to have
20 sufficient, sources of funding for apprenticeships;

