

1 Senate proposal to House proposed change to SEDHGA draft 9.1

2 * * * Tourism and Marketing * * *

3 Sec. 1. TOURISM AND MARKETING; APPROPRIATION

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

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

13 (c) Of the \$2,000,000.00 appropriated in Sec. G.300(a)(19) of H.439 to the
14 Department of Tourism and Marketing, the Department shall allocate funding
15 as follows:

16 (1) \$1,400,000.00 to promote Vermont's travel, recreation, culinary,
17 arts, culture, agritourism, and heritage experiences to attract visitors and
18 stimulate visitor spending with local attractions and small businesses in rural
19 communities and throughout the State; and

20 (2) \$600,000.00 to develop a grant program to enable local, regional, or
21 statewide organizations to implement campaigns and initiatives that increase

1 consumer spending, support local businesses, and advance community
2 recovery efforts to support businesses in Vermont that have suffered economic
3 harm due to the COVID-19 public health emergency.

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

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

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

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

14 (a) Of the \$800,000.00 appropriated in Sec. G.300(a)(16) of H.439 to the
15 Agency of Commerce and Community Development, the Agency shall allocate
16 funds to design and implement a technology-based economic development
17 program that promotes technology-based businesses consistent with the
18 following:

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

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

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

6 (A) to purchase services and technical assistance from universities
7 and research institutions, including research and development assistance,
8 technology assessments, product prototyping, lab validation, and overcoming
9 development hurdles; and

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

13 (b) The University of Vermont Office of Engagement shall use the
14 \$1,000,000.00 appropriated in Sec. G.300(a)(15) of H.439 over a two-year
15 period to leverage the research services and data science capabilities of the
16 University in order to promote technology-based businesses.

17 (c)(1) On or before January 15, 2022, the Agency of Commerce and
18 Community Development shall report to the General Assembly concerning the
19 implementation of subsection (a) of this section, including the provision of
20 grants and technical assistance, the number of businesses assisted, how many
21 SBIR/STTR Phase I and II matching grants awarded, how many businesses

1 received the maximum grant, and how many matching grants and the amounts
2 awarded through the industry research partnership program.

3 (2) On or before January 15, 2022, the University of Vermont shall
4 report to the General Assembly on the implementation of subsection (b) of this
5 section concerning the nature and scope of assistance provided through the
6 Office of Engagement.

7 * * * Postsecondary CTE System * * *

8 Sec. 3. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:

9 Sec. 6. ~~POSTSECONDARY CAREER AND TECHNICAL ADULT~~
10 ~~EDUCATION~~ AND TRAINING SYSTEM

11 (a) Findings; purpose.

12 (1) Findings. The General Assembly finds:

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

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

19 (C) In order to assist employers and employees in matching demand
20 to requisite skills, Vermont has a broad diversity of postsecondary workforce
21 education and training programs offered by multiple providers, including

1 programs administered or funded by State government, educational
2 institutions, and business-lead groups ~~such as the Vermont Talent Pipeline~~
3 ~~Management Project~~. The State should continue to work closely with these
4 providers to identify and meet the needs of employers and employees.

5 * * *

6 (b) Adult Basic Education, Adult Secondary Education, and Postsecondary
7 CTE System.

8 (1) ~~The Department of Labor, in collaboration with the Agency of~~
9 Education, in consultation with the Department of Labor, the Vermont State
10 Colleges, and the Vermont Adult Technical Education Association, and two
11 representatives from entities who serve adult basic and adult secondary
12 populations and any shall:

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

16 (B) shall ~~consider and~~ report to the General Assembly on the design,
17 implementation, and costs of an integrated and coherent adult basic education,
18 adult secondary education, and postsecondary career and technical education
19 system that achieves the results specified in subdivision (a)(2) of this section.

20 (2) In performing their work, the ~~Department~~ Agency, stakeholders
21 partners, and any the consultant shall conduct a broad-based stakeholder

1 engagement process to solicit input from interested parties, and State agencies
2 and departments shall provide necessary information and assistance within
3 their relative areas of expertise.

4 (c) ~~Report~~ Reporting. The Department of Labor shall report to the House
5 Committees on Commerce and Economic Development and on Education and
6 to the Senate Committees on Economic Development, Housing and General
7 Affairs and on Education concerning the implementation of this section as
8 follows:

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

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

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

18 (d) In performing its work to create an integrated adult basic education,
19 adult secondary education, and postsecondary career and technical education
20 system, the ~~Department~~ Agency shall recognize issues faced by persons who
21 would benefit from adult basic education or adult secondary education and

1 persons with other historical barriers to employment or who are
2 underrepresented in the workforce, including persons who have faced
3 discrimination based on race, sex, sexual orientation, gender identity, age,
4 refugee status, and national origin; persons in recovery; persons with a history
5 of incarceration; and persons with disabilities.

6 Sec. 4. ALLOCATION OF APPROPRIATIONS

7 (a) The Department of Labor shall allocate not more than \$75,000.00 from
8 the amounts available in the Workforce Expansion Fund to implement Sec. 3
9 of this act.

10 (b) The Agency of Education shall allocate not more than \$25,000 from the
11 amounts available in the General Fund for Tech Ed Adult Formula to
12 supplement funds from the Department of Labor to implement Sec. 3 of this
13 act.

14 * * * Better Places Program * * *

15 Sec. 5. FINDINGS; INTENT AND PURPOSE

16 (a) The General Assembly finds:

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

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

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

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

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

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

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

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

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

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

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

16 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

17 (a)(1) There is created the Better Places Program within the Department of
18 Housing and Community Development, and the Better Places Fund, which the
19 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 \$40,000.00.

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 \$1,500,000.00 appropriated to it in Sec. G.300(a)(17) for a Better
8 Places grant program to the Better Places Fund to provide grants in 2021,
9 2022, 2023, and 2024.

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 2024.

13 Sec. 9. BETTER PLACES PROGRAM; REPORT

14 (a) The Department of Housing and Community Development shall submit
15 to the Senate Committee on Economic Development, Housing and General
16 Affairs and the House Committee on Commerce and Economic Development
17 annual reports on or before April 15 of 2022, 2023, and 2024 regarding the
18 activities of the 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.300(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 to expand opportunities for education at the
14 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 \$2,000,000.00 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 BUSINESS DEVELOPMENT; BLACK, INDIGENOUS,
4 AND PERSONS OF COLOR

5 (a) Intent.

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

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

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

20 (b) Findings.

1 (1) The Vermont Partnership for Fairness and Diversity conducted a
2 survey of BIPOC businesses after the Emergency Recovery Grant programs
3 closed. The survey analysis included three core recommendations: form a
4 state BIPOC Commission, create a BIPOC business association, and improve
5 data collection and the State’s understanding of BIPOC business needs.

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

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

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

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

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

20 (3)(A) The Secretary of State, in cooperation with the Agency of Digital
21 Services, is leading the development project for the creation of a business

1 portal to deliver a single point of entry for Vermont businesses to interact with
2 the State across multiple agencies and departments.

3 (B) When the portal becomes active, which is projected to occur in
4 2022, the Secretary of State will collect data on race, ethnicity, and gender for
5 individuals registering businesses.

6 (c) BIPOC business development project.

7 (1)(A) The Agency of Commerce and Community Development shall
8 use the \$150,000.00 appropriated in Sec. G.300(a)(18) to provide funding for
9 one or more contractors to convene BIPOC businesses, organizations, and
10 community leaders; other business organizations; and representatives from the
11 Agency of Commerce and Community Development and other State agencies
12 and departments as necessary, to create a set of recommendations on how to
13 support BIPOC business development, which may include the creation of a
14 BIPOC business network, the creation of minority business development
15 center or authority, or one or more other similar entities or organizations.

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

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

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

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

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

5 (i) demonstrated experience working with BIPOC businesses or
6 populations, or both;

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

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

12 (iv) economic and business development expertise; and

13 (v) experience in organizational structures.

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

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

20 (4)(A) On or before February 15, 2022, each contractor shall deliver to
21 the Panel, the Director, the Agency, and the legislative committees of

1 jurisdiction a preliminary report on financial resources and policy changes
2 needed to support BIPOC business development.

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

7 (d) Collection of data.

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

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

17 (2) The Secretary shall provide data from the portal and from the Office
18 of Professional Regulation to the Secretary of Administration, who shall make
19 the data available to relevant agencies and departments within State
20 government to inform economic development policy priorities and strategies as

1 it relates to BIPOC-, women-, and gender non-binary-owned businesses and
2 their needs as businesses and employers.

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

6 Sec. 15. ENTREPRENEURS' SEED CAPITAL FUND

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

15 (b) Appropriation. The General Assembly has appropriated the amount of
16 \$900,000.00 from the General Fund to the Entrepreneurs' Seed Capital Fund in
17 Sec. G.300(b)(2) of H.439 to provide risk stage seed capital to Vermont
18 businesses that have experienced economic disruption either through reduced
19 business, new business formation, or through an unmanageable increase in new
20 business due to the COVID-19 crisis.

1 (c) Investment; categories. Notwithstanding any provision of 10 V.S.A.
2 § 290 to the contrary, the Fund shall invest in businesses consistent with the
3 following:

4 (1) The Fund shall invest in 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.

9 (3) The expected range per new investment is \$20,000.00 to
10 \$100,000.00 from this appropriation.

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

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

18 (6) Prior to providing seed capital, the Fund may ensure that an
19 applicant has consulted with, and has accessed any available funding from, the
20 Vermont Economic Development Authority.

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

4 (1) traditional in-person retail operations;

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

6 (3) restaurants and food service operations.

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

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

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

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

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

21 Sec. 17. SEED CAPITAL FUND; REPORT

1 On or before January 15, 2022 the Seed Capital Fund shall report to the
2 Senate Committee on Economic Development, Housing and General Affairs
3 and to the House Committee on Commerce and Economic Development
4 concerning:

5 (1) whether and how the Fund and the Vermont Economic Development
6 Authority can integrate preferential treatment and provide continuing
7 investment through its lending programs for businesses that have received
8 capital investment from the Fund; and

9 (2) the Fund’s efforts and outcomes to prioritize sourcing and providing
10 funding to BIPOC-, veteran-, and women-owned businesses pursuant to Sec.
11 16 of this act.

12 * * * Capital Investment Grants * * *

13 Sec. 18. CAPITAL INVESTMENT GRANT PROGRAM

14 (a) Creation; purpose; regional outreach.

15 (1) The Agency of Commerce and Community Development shall use
16 the \$10,580,000 appropriated to the Department of Economic Development in
17 Sec. G.300(a)(12) of H.439 to design and implement a capital investment grant
18 program consistent with this section.

19 (2) The purpose of the program is to make funding available for
20 transformational projects that will provide each region of the State with the
21 opportunity to attract businesses, retain existing businesses, create jobs, and

1 invest in their communities by encouraging capital investments and economic
2 growth.

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

7 (b) Eligible applicants.

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

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

11 (B) The applicant is:

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

14 (II) a nonprofit entity; and

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

17 (C) The applicant demonstrates:

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

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

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

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

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

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

5 (B) a municipality;

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

9 (D) a publicly-traded company.

10 (c) Awards; amount; eligible uses.

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

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

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

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

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

4 (d) Data model; approval.

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

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

10 (e) Application process; decisions; awards.

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

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

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

20 (A) increase to grand list value;

21 (B) improvements to supply chain;

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

2 (D) increase to State GDP.

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

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

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

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

15 (D) creation and retention of workforce opportunities.

16 (4) The Secretary of Commerce and Community Development shall
17 consider the recommendations of the interagency team and shall give final
18 approval to projects.

19 (f) Grant agreements; post award monitoring. If selected by the Secretary,
20 the applicant and the Agency shall execute a grant agreement that includes
21 audit provisions and minimum requirements for the maintenance and

1 accessibility of records that ensures that the Agency and the Auditor of
2 Accounts have access and authority to monitor awards.

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

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

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

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

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

12 * * * Economic Recovery Grants * * *

13 Sec. 23. ECONOMIC RECOVERY GRANTS

14 (a) The Agency of Commerce and Community Development shall use the
15 \$20,000,000.00 appropriated to it in Sec. G.300(a)(13) of H.439 for Economic
16 Recovery grants and the amounts appropriated to it in 2021 Acts and Resolves
17 No. 9, Sec. 3, to provide grants to businesses consistent with the requirements
18 of that Sec. 3 and further subject to the following:

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

1 (2) The Agency shall defer final calculation and payment of grant
2 awards for a reasonable period of time to determine the availability of COVID-
3 19-related financial assistance from other State and federal sources.

4 (3) The Agency may adjust the calculation of tax loss for non-COVID-
5 19-related items, including carry forward losses and depreciation.

6 (b) The Agency of Commerce and Community Development shall provide
7 grants to businesses subject to the provisions and guidance controlling
8 economic relief funds that are available through the American Rescue Plan
9 Act, as follows:

10 (1) Program to respond to economic harm.

11 (A) The Agency shall design and implement the economic recovery
12 grant program to ensure that grants provided to businesses respond to the
13 public health emergency with respect to the Coronavirus Disease 2019
14 (COVID-19) or its negative economic impacts.

15 (B) In assessing whether a program or service “responds to” the
16 COVID-19 public health emergency requires the Agency shall, first, identify a
17 need or negative impact of the COVID-19 public health emergency and,
18 second, identify how the program addresses the identified need or impact.

19 (2) Program response is related and proportional to harm.

20 (A) The Agency shall ensure that its program response is related and
21 reasonably proportional to the extent and type of harm experienced.

1 (B) Uses that bear no relation or are grossly disproportionate to the
2 type or extent of harm experienced are not eligible uses.

3 (3) Economic harm resulting from or exacerbated by COVID-19.

4 (A) The Agency shall design and implement the economic recovery
5 grant program to address economic harms resulting from or exacerbated by the
6 public health emergency.

7 (B) The Agency shall assess the connection between the negative
8 economic harm and the COVID-19 public health emergency, the nature and
9 extent of that harm, and how the use of this funding would address such harm.

10 (C) While recognizing that economic impacts may either be
11 immediate or delayed, the Agency shall not provide assistance to businesses
12 that did not experience a negative economic impact from the public health
13 emergency and that therefore would not be an eligible recipient of funds.

14 (4) Recognizing harm to certain industries.

15 (A) The Agency shall recognize that certain industries, such as
16 tourism, travel, and hospitality, were disproportionately and negatively
17 impacted by the COVID-19 public health emergency. Aid provided to tourism,
18 travel, and hospitality industries should respond to the negative economic
19 impacts of the pandemic on those and similarly impacted industries.

20 (B) Aid may be considered responsive to the negative economic
21 impacts of the pandemic if it supports businesses, attractions, business

1 districts, and Tribal development districts operating prior to the pandemic and
2 affected by required closures and other efforts to contain the pandemic.

3 (C) When considering providing aid to industries other than tourism,
4 travel, and hospitality, the Agency shall consider the extent of the economic
5 impact as compared to tourism, travel, and hospitality, the industries.

6 (D) The Agency shall also consider whether impacts were due to the
7 COVID-19 pandemic, as opposed to longer-term economic or industrial trends
8 unrelated to the pandemic.

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

15 * * * Apprenticeships * * *

16 **Sec. 24. APPRENTICESHIPS**

17 (a) The Department shall use the \$2,000,000.00 appropriated to it in Sec.
18 G.300(a)(6) of H.439 for the expansion of registered apprenticeship enrollment
19 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 provide
9 vouchers of not more than \$750.00 for new apprentices or their sponsors to pay
10 for equipment, tools, supplies, or textbooks needed during their first year.

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

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

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

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

20 (3) prioritizing apprenticeship enrollment in building or trades
21 programs;

