



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

April 28, 2022

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S.11 – An act relating to prohibiting robocalls

As recommended by the House Committee on Commerce and Economic Development

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Commerce/Bills/S.11/Drafts.%20Amendments%20and%20Legal%20Documents/S.11~David%20Hall~%20Draft%206.1,%20204-27-2022~4-27-2022.pdf>

Bill Summary

This bill addresses the negative economic impacts of COVID-19 on Vermont's economy, employers, workers, and families and establishes opportunities to grow Vermont's economy. It establishes several workforce and economic development programs and updates the scope and funding for existing programs.

The bill creates or enhances programs with the goals of increasing workforce participation rates as well as training and retaining nursing and mental health care workers. It includes scholarships and student loan repayment, networking, learning and up-skilling campaigns, and support for internship programs. The bill also includes appropriations for new and existing economic development programs that are aimed at supporting businesses, reimbursing leave related to COVID-19, and assisting Arts and Culture businesses.

Fiscal Summary

The bill appropriates an overall total of \$98.4 million. This includes:

- \$30.9 million in General Fund appropriations,
- \$15.0 million in Education Fund appropriations, and
- \$52.5 million in American Rescue Plan Act State Fiscal Recovery (ARPA SFR) appropriations. Of the total amount of ARPA SFR dollars appropriated in the bill, \$28.0 million occurs in FY 2022 and \$24.5 million occurs in FY 2023.

Table 1 in the appendix provides a more detailed summary of the bill's appropriations.

The bill includes an expansion of the Downtown and Village tax credit of \$1.35 million to \$4.35 million per year in FY 2023 and FY 2024 but reverts to \$3.0 million per year in FY 2025. The expansion of the Downtown and Village Tax credit is the only section expected to affect state revenues.

Background and Details

The bill appropriates \$98.4 million overall. The appropriations are from three different sources. \$30.9 million are sourced from the General Fund, \$15.0 million are sourced from the Education Fund, and \$52.5 million are in ARPA SFR funds.

The bill reverts \$25.5 million in unspent ARPA SFR dollars appropriated to the Agency of Commerce and Economic Development for the Economic Recovery Grant Program in FY 2021 in Act 74 Sec. G. 300(a)(13) back to ARPA SFR for the purpose of funding Economic and Workforce Development programs.

Overview of Appropriations

The following programs have fiscal impacts and are described briefly here:

Immediate Strategies and Funding for Expanding the Labor Force, Increasing the Number of Participants and Participation Rates

Section 1 appropriates \$2.5 million in FY 2023 in General Fund dollars to the UVM Office of Engagement in consultation with the Vermont Student Assistance Corporation to administer a statewide forgivable loan program of \$5,000 per graduate who commits to work in Vermont for two years after graduation. It also appropriates \$500,000 in FY 2023 in ARPA SFR funds to the State Refugee Office to administer grants to refugee or New-American focused programs to support increased in-migration or retention of recent arrivals. The last appropriation in Section 1 is \$387,000 in General Fund dollars in FY 2023 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

Funding and Governance Structures of Career Technical Education in Vermont

Section 3 appropriates \$180,000 in General Fund dollars in FY 2023 to the Joint Fiscal Office to contract services for systematic examination of existing funding structures of CTE, CTE governance structures in relation to funding structures, implication of existing funding and governance structures for K-12 schools and adult education, funding and alignment of early college and dual enrollment, CTE funding and governance structures in other states and to identify and prioritize potential new models of CTE funding and governance structures for Vermont's education funding system.

Investing in the Upskilling of Private Sector Employers to Support the Evolution of Business and Organizational Models

Section 4 appropriates \$250,000 in General Fund dollars to the Agency of Commerce and Community Development (ACCD) in FY2023 to regrant a performance-based contract to the Vermont Professionals of Color Network for business coaching and other training for BIPOC business owners, networking, and career fairs, workshops and paid internships.

Regional Workforce Expansion System

Section 5 appropriates \$1.5 million in General Fund dollars to the Department of Labor in FY 2023 for a two-year pilot program to create a coordinated regional system, beginning in three regions of the State, to increase local labor participation rates; decrease the number of open positions; increase worker wages as they transition to new jobs; and collect, organize, develop, and share information related to local career pathways with workforce development partners. The bill authorizes the Department to hire four classified, two-year limited-service positions to perform the work described above that will report to the Workforce Expansion Division.

Incarcerated Individuals Development Pilot Program

Section 6 appropriates \$420,000 in General Fund dollars to the Department of Corrections in FY23 to address vocational enhancement needs. It also appropriates \$300,000 in General Fund dollars in FY 2023 to

the Department of Correction to establish a community-based pilot reentry program at Chittenden Correctional Facility to provide continuity of services for justice-involved individuals.

Work-based Learning and Training Program

Section 12 appropriates \$1.5 million in General Fund dollars in FY 2023 to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in the bill. The Program will be developed statewide by the Department of Labor to serve transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change.

Vermont Trades Scholarship Program

Section 14 appropriates \$3.0 million in FY 2023 in General Fund dollars to the Vermont Student Assistance Corporation (VSAC) for scholarships for trades students under the Vermont Trades Scholarship Program who demonstrate financial need. It creates a scholarship program to be administered by VSAC to disburse initial licensing fees, exam fees and tuition payments on behalf of eligible individuals. Any funds left over at the end of the year will be rolled over and available to VSAC the following year for scholarships.

Vermont Trades Loan Reimbursement Program

Section 15 appropriates \$500,000 in General Fund dollars in FY 2023 to create the Vermont Trades Loan Repayment Reimbursement Program in which VSAC will disburse funds to eligible individuals for loan repayments. For every year of work in qualifying occupations, an individual can receive \$5,000 not to exceed the amount of debt owed. Any funds left over at the end of the year will be rolled over and available to VSAC the following year for loan repayment assistance.

Career Technical Education Construction and Rehabilitation Experiential Learning Program; Revolving Loan Fund

Section 16 appropriates \$15.0 million in Education Fund dollars in FY 2023 to the Vermont Housing Conservation Board to create and administer a CTE Construction and Rehabilitation Learning Program and Revolving Loan Fund. The board may use not more than 5 percent of the Fund for the costs of administration.

Emergency Grants to Support Nurse Educators

Section 20 appropriates \$3.0 million in ARPA SFR dollars to the Department of Health in FY 2023 to provide emergency interim grants to Vermont nursing schools. This is a three-year appropriation that allocates \$1 million in FY 2023, \$1 million in FY 2024, and \$1 million in FY 2025.

Nurse Preceptor Incentive Grants; Hospitals; Working Group; Report

Section 21 appropriates \$2.4 million in General Fund dollars to the Agency of Human Services in FY 2023 to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for students enrolled in Vermont nursing school programs. The Agency will distribute the funds to hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of \$5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Director of Health Care Reform will convene a working group to identify ways to increase placement opportunities and provide a report based on those findings.

Health Care Employer Nursing Pipeline and Apprenticeship Program

Section 22 appropriates \$3.0 million in ARPA SFR dollars to VSAC in FY 2023 to provide grants to health care employers to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs.

Vermont Nursing Forgivable Loan Incentive Program

Section 25 appropriates \$100,000 to the Department of Health in FY 2023 to establish a Vermont Nursing Forgivable Loan Program, which provides scholarships for nursing students. Recipients agree to work as a

nurse in Vermont for a minimum of one year. Scholarships to be calculated based on financial need.

Vermont Nursing and Physician Assistant Loan Repayment Program

Section 27 appropriates \$2.0 million in General Fund dollars to the Department of Health in FY 2023 to establish and administer a loan repayment program in coordination with VSAC. Amount is equal to one year of loans for every one year of service as a nurse or physician assistant in the state.

Nurse Faculty Forgivable Loan and Loan Repayment Program

Section 29 appropriates \$500,000 in ARPA SFR dollars to the Department of Health in FY 2023 to create and administer program to offer forgivable loans to nurse faculty members at a nursing school in Vermont.. For each year of service as a nurse faculty member at a nursing school in Vermont, an eligible individual receives a full academic year of forgivable loan benefit. It also provides loan repayment on behalf of individuals. The amount recipients can receive is equal to the value of one academic year of loans for every year of service as a member of the nurse faculty at a nursing school in Vermont.

Agency of Human Services; Health Care Workforce Data Center

Section 32 appropriates \$1.0 million in ARPA SFR dollars to the Office of Health Care Reform in the Agency of Human Services in FY 2023 so to establish and operate the statewide Health Care Workforce Data Center. This program is established to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve COVID-19 mitigation and prevention efforts.

Agency of Human Services; Position

Section 34 appropriates \$170,000 in General Fund dollars in FY 2023 to the Agency of Human Services, Office of Health Care Reform for one classified, three-year limited-service position as Health Care Workforce Coordinator at AHS. The coordinator will focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment and retention. \$120,000 is for personal services and \$50,000 is for operating expenses.

Positions Embedded within Recovery Centers Pilot Program

Section 38 appropriates \$1.29 million in FY 2023 in General Fund dollars to the Department for Disabilities, Aging and Independent Living's Division of Vocation Rehabilitation to develop and implement a two-year pilot program that embeds 15 FTEs limited-service positions within 12 recovery centers across the state. \$540,000 funds 2.5 FTEs at each of two geographically diverse recovery centers. \$75,000 funds one FTE to serve as employment support counselor at each of the 10 remaining recovery centers.

Credential of Value Goal; Public Private Partnership

Section 39 appropriates \$150,000 in General Fund dollars to VSAC in FY 2023 to fund the work of Advance Vermont to increase awareness of postsecondary education and training, promote a broad understanding of the public good and value in achieving the State's goal for 70 percent of working-age Vermonters to hold a credential of value by 2025.

Vermont Serve, Learn, and Earn Program

Section 40 appropriates \$2.0 million in FY 2023 in General Fund dollars to the Department of Forests, Parks and Recreation for capital and operating needs of groups participating in the Vermont Serve, Learn and Earn Program. The Program creates meaningful paid service and learning opportunities for young adults.

Vermont Forest Future Strategic Roadmap

Section 45 appropriates \$250,000 in General Fund dollars to the Department of Forests, Parks and Recreation in FY 2023 to enter a two-year contract for the development of the Vermont Forest Future Strategic Roadmap. The roadmap is meant to strengthen, modernize, promote, and protect the forest products sector in the State.

VEDA Short-term Forgivable Loan Program

Section 52 of the bill appropriates \$19.0 million in ARPA SFR funds to the Vermont Economic Development Authority in FY 2022 to operate the VEDA Short-Term Forgivable Loan Program. Eligible borrowers must have fewer than 500 employees located in Vermont and must identify economic harm caused by the COVID-19 pandemic. Economic harm will be measured by a material decline in annual adjusted net operating income from before the COVID-19 pandemic to after it.

To be eligible for a loan, a business needs to have experienced a 25 percent reduction in its adjusted net operating income in 2020 and 2021 combined when compared to 2019. Further, at least 50 percent of the reduction in net operating income must have occurred in 2021.

The Agency will consider previous State or federal assistance in connection with the pandemic, reasonable owner's compensation, noncash expenses, and other adjustments deemed appropriate. Loaned amounts will be used for eligible fixed or operating expenses, and the loan is not to exceed the lesser of \$200,000, six months of eligible cost, or the amount of cumulative decline in adjusted net operating income in 2020 and 2021. VEDA will consult with the Joint Fiscal Office to establish guidelines.

Creative Economy Grants

Section 52 appropriates \$9.0 million in ARPA SFR in FY 2022 to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance to creative economy businesses and nonprofits. The grants are meant to help these businesses recover from financial losses incurred due to the COVID-19 pandemic.

Capital Investment Grant Program

Section 52 appropriates \$10.2 million in General Fund dollars in FY 2023 to the Agency of Commerce and Community Development for the Capital Investment Program created in Act 74 of 2021. The Agency will reallocate any remaining funds appropriated to the Economic Recovery Grants program in Act 74 of 2021 to the Capital Investment Program. Grantees must be able to comply with the Department of Treasury Final Rule and meet certain criteria to be deemed eligible. Grants cannot exceed the lesser of \$1.0 million or 20 percent of the total project cost.

The bill removes the net fiscal impact data model from the program established in Act 74 and instead requires that the Agency of Commerce and Community Development develop guidelines in coordination with the Joint Fiscal Office and reviewed by the Joint Fiscal Committee. The Agency may also designate one or more sectors for priority consideration in the application process including arts and culture, travel, lodging, tourism, agriculture, and childcare.

Restaurants and Farmers Feeding the Hungry Program

Section 52 also appropriates \$1.8 million in General Fund dollars in FY 2023 to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known as Everyone Eats, to provide State funds to match Federal Emergency Management Agency FEMA funds available for the program.

COVID-19-Related Paid Leave Grant Program

Section 54a establishes the COVID-19-Related Paid Leave Grant Program in the Agency of Administration. The Agency will administer and award grants to employers to reimburse part of the cost of providing COVID-19-related paid leave provided to employees during calendar year 2022. Grants also may be used to reimburse employers for unpaid leave for COVID-19-related reasons.

\$16.5 million is appropriated from ARPA SFR funds to the Agency of Administration in FY 2023; not more

than five percent of that appropriation may be used for expenses related to program administration and outreach. Reimbursement of COVID-19-related paid leave or unpaid leave is equal to 67 percent of the greater of minimum wage or the employee’s regular hourly wage times number of hours reimbursed. The number of hours reimbursed cannot exceed the lesser of 80 hours or two times the employee’s average weekly hours. The maximum hourly reimbursement for an employee cannot exceed \$27.50.

Allocations

Section 13 of the bill establishes a two-year pilot program through the Department of Labor in consultation with the Agency of Education to design and implement the Secondary Student Industry-Recognized Credential Pilot Program. The program will make funding available to eligible students to take an eligible adult career technical education course. Students will be able to apply for the funding through an application process if they are a Vermont resident attending a Vermont public school or independent secondary school that is eligible for public funding, they have completed grade 11 and have not received a high school diploma, and if their secondary school and regional CTE center determine that they are prepared to succeed in the course, meet the prerequisites for the course and have exhausted other sources of funding prior to submitting their application. The bill authorizes the Department of Labor to spend up to \$100,000 of the funds appropriated to it in the FY 2023 budget if funds are not made available through other sources.

Tax Credits

Downtown and Village Center Tax Credit Program

The bill increases the total amount of tax credits awarded annually to \$4.35 million starting in FY 2023. This is an increase of \$1.35 million from the current limit of \$3.0 million currently in law. Of the \$4.35 million in total annual credits, up to \$1.0 million may be awarded to qualified projects in neighborhood development areas. The increase will be for two years and will sunset in FY 2025.

This increase constitutes a tax expenditure due to forgone revenue and will be offset by setting aside carrying forward \$1.35 million in the General Fund to FY 2024.

Appendix

Table 1: Overview of Appropriations				
Section	Program	New Appropriations Amount	Current Source	Fiscal Year
1	Immediate Strategies and Funding for Expanding the Labor Force; Increasing the Number of Participants and Participation Rates	\$2,500,000	General Fund	2023
		\$500,000	ARPA SFR	2023
		\$387,000	General Fund	2023
3	Funding and Governance Structures of Career Technical Education in Vermont	\$180,000	General Fund	2023

4	Investment in the Up-Skilling of Private Sector Employers to Support the Evolution of Business and Organizational Models	\$250,000	General Fund	2023
5	Regional Workforce Expansion System	\$1,500,000	General Fund	2023
6	Incarcerated Individuals Workforce Development Pilot Program	\$420,000	General Fund	2023
		\$300,000	General Fund	2023
12	Work-based Learning and Training Program	\$1,500,000	General Fund	2023
14	Vermont Trades Scholarship Program	\$3,000,000	General Fund	2023
15	Vermont Trades Loan Reimbursement Program	\$500,000	General Fund	2023
16	CTE Construction and Rehabilitation Experiential Learning Program; Revolving Loan Fund	\$15,000,000	Education Fund	2023
20	Emergency Grants to Support Nurse Educators	\$3,000,000	ARPA SFR	2023
21	Nurse Preceptor Incentive Grants; Hospitals; Working Group; Report	\$2,400,000	General Fund	2023
22	Health Care Employer Nursing Pipeline and Apprenticeship Program	\$3,000,000	ARPA SFR	2023
25	Vermont Nursing Forgivable Loan Incentive Program	\$100,000	General Fund	2023
27	Vermont Nursing and Physician Assistant Loan Repayment Program	\$2,000,000	General Fund	2023

29	Nurse Faculty Forgivable Loan and Loan Repayment Program	\$500,000	ARPA SFR	2023
32	Agency of Human Services; Health Care Workforce Data Center	\$1,000,000	ARPA SFR	2023
34	Agency of Human Services; Position; Appropriation	\$170,000	General Fund	2023
38	Pilot Program; Positions Embedded Within Recovery Centers	\$1,290,000	General Fund	2023
39	Credential of Value Goal; Public-Private Partnership	\$150,000	General Fund	2023
40	Vermont Serve, Learn and Earn Program	\$2,000,000	General Fund	2023
45	Vermont Forest Future Strategic Roadmap	\$250,000	General Fund	2023
52	Capital Investment Program	\$10,200,000	General Fund	2023
52	VEDA Short-Term Forgivable Loans	\$19,000,000	ARPA SFR	2022
52	Creative Economy Grants	\$9,000,000	ARPA SFR	2022
52	Restaurants and Farmers Feeding the Hungry Program	\$1,800,000	General Fund	2023
54a	COVID-19 Related Paid Leave Grant Program	\$16,500,000	ARPA SFR	2023
Total Appropriations		\$98,397,000		
Total General Fund & ARPA SFR		\$83,397,000		
General Fund		\$30,897,000		
Education Fund		\$15,000,000		
ARPA		\$52,500,000		