

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) In fiscal year 2022, the amount of \$2,500,000.00 is appropriated from  
20 the funds available to the State under the American Rescue Plan Act of 2021  
21 Of the \$2,000,000 appropriated in Sec. G.302(a)(15) of H.439 to the

1 Department of Tourism and Marketing, the Department shall allocate funding  
2 as follows:

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

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

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

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

19 \* \* \* Technology-Based Economic Development \* \* \*

20 Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

21 PROGRAM; APPROPRIATION

1       (a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from  
2 the amounts available to the State through the American Rescue Plan Act of  
3 2021 to the University of Vermont. Of the \$800,000 appropriated in Sec.  
4 G.302(a)(10) of H.439 to the Agency of Commerce and Community  
5 Development for technology-related grants, the Agency shall allocate funds to  
6 design and implement a technology-based economic development program that  
7 promotes technology-based businesses and provides assistance to Vermont  
8 businesses that have suffered economic harm due to the COVID-19 public  
9 health emergency, consistent with the American Rescue Plan Act of 2021, and  
10 consistent with the following:

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

14           (2) SBIR; STTR; Phase I and Phase II matching grants. A total of  
15 \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to  
16 businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

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

19               (A) to purchase services and technical assistance from universities  
20 and research institutions, including research and development assistance,

1 technology assessments, product prototyping, lab validation, and overcoming  
2 development hurdles; and

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

6 (4) University of Vermont Office of Engagement. A total of  
7 \$200,000.00 to the Office of Engagement to administer the funds pursuant to  
8 this subsection.

9 (b) In fiscal year 2022, the amount of \$2,000,000 is appropriated from the  
10 amounts available to the State under the American Rescue Plan Act of 2021 Of  
11 the \$1,000,000 appropriated in Sec. G.302(a)(9) of H.439 to the University of  
12 Vermont to complete the startup of the Office of Engagement, the University  
13 shall use funds for a two-year period to leverage the research services and data  
14 science capabilities of the University to promote technology-based businesses  
15 and to provide assistance to Vermont businesses that have suffered economic  
16 harm due to the COVID-19 public health emergency, consistent with the  
17 American Rescue Plan Act of 2021.

18 (c)(1) On or before January 15, 2022, the University of Vermont Agency of  
19 Commerce and Community Development shall report to the General Assembly  
20 concerning the implementation of subsection (a) of this section, including the  
21 provision of grants and technical assistance; the number of businesses assisted;

1 how many SBIR/STTR phase I & II matching grants awarded; how many  
2 businesses received the maximum grant; and how many matching grants and  
3 the amounts awarded through the industry research partnership program; and  
4 the nature and scope of assistance provided through the Office of Engagement.

5 (2) On or before January 15, 2022, the University of Vermont shall  
6 report to the General Assembly on the implementation of subsection (b) of this  
7 section concerning the nature and scope of assistance provided through the  
8 Office of Engagement to leverage the research services and data science  
9 capabilities of the University, to promote technology-based businesses, and to  
10 provide assistance to Vermont businesses that have suffered economic harm  
11 due to the COVID-19 public health emergency.

12 (d) The University of Vermont shall use the funds appropriated in this  
13 section to promote technology based businesses and to provide assistance to  
14 Vermont businesses that have suffered economic harm due to the COVID-19  
15 public health emergency consistent with the American Rescue Plan Act of  
16 2021.

17 \* \* \* Postsecondary CTE System \* \* \*

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

19 Sec. 6. POSTSECONDARY CAREER AND TECHNICAL EDUCATION  
20 SYSTEM

21 (a) Findings; purpose.

1 (1) Findings. The General Assembly finds:

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

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

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

15 \* \* \*

16 (b) Postsecondary CTE System.

17 (1) The Department of Labor, in collaboration with the Agency of  
18 Education, the Vermont State Colleges, and the Vermont Adult Technical  
19 Education Association, ~~and any~~ shall:

20 (A) ~~consultant the Department hires for that purpose, issue a request~~  
21 for proposals and hire a consultant on or before September 1, 2021 2022; and

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

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

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

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

17                (2) On on or before January 15, ~~2020~~ 2022 2023, the Department of  
18                Labor shall submit a preliminary report on the status of its work as of that date;  
19                and

20                (3) on or before December 15, 2022 2023, a final report with any  
21                recommendations for legislative action to the House Committee on Commerec

1 ~~and Economic Development and the Senate Committee on Economic~~  
2 ~~Development, Housing and General Affairs.~~

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

10 Sec. 4. APPROPRIATION

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

14 ~~\*\*\* Group Insurance; Northern Borders Regional Commission \*\*\*~~

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

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

19 (a)(1) *The Secretary of Administration may contract on behalf of the State*  
20 *with any insurance company or nonprofit association doing business in this*  
21 *State to secure the benefits of franchise or group insurance. Beginning July 1,*



1       1978, the terms of coverage under the policy shall be determined under section  
2       904 of this title, but it may include:

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

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

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

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

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

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

19 *(I) they have at least 20 years of service with that employer; or*  
20 *(II) have attained 62 years of age, and have at least 15 years of*  
21 *service with that employer.*



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

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

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

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

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

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

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

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

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

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

11 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

2           (3) any interest earned by the Fund.

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

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

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

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

18           (4) The minimum amount of a grant award is \$5,000.00 and the  
19 maximum amount of a grant award is ~~\$50,000.00~~ \$30,0000.

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

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

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

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

9                   (D) An applicant shall provide matching funds raised through  
10                  crowdfunding of not less than 25 percent and not more than 50 percent of the  
11                  grant award, provided that the Department may adjust the matching  
12                  requirements within this range if necessary due to demand and availability of  
13                  funds 33 percent of the grant award.

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

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

1 ~~(g) Beginning on January 15, 2022 and annually thereafter, the Department~~  
2 ~~of Housing and Community Development shall submit to the Senate~~  
3 ~~Committee on Economic Development, Housing and General Affairs and the~~  
4 ~~House Committee on Commerce and Economic Development an annual report~~  
5 ~~regarding the activities and progress of the Program. The report shall:~~

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

8 ~~(2) report on partner resources and contributions to the Program; and~~

9 ~~(3) report on any measurable economic activity, which may include the~~  
10 ~~number of jobs created, the number of visitors, the approximate number of~~  
11 ~~square feet to be activated or redeveloped, and the number of volunteers~~  
12 ~~engaged in the project.~~

### 13 Sec. 7. APPROPRIATION

14 ~~In fiscal year 2022, the amount of \$5,000,000.00 is appropriated from the~~  
15 ~~funds available to the State under the American Rescue Plan Act of 2021. The~~  
16 ~~Agency of Commerce and Community Development shall transfer the amount~~  
17 ~~of \$1,000,000 appropriated to it in Sec. G.302(a)(11) for a Better Places grant~~  
18 ~~program to the Better Places Fund to provide grants in fiscal years 2022 and~~  
19 ~~2023 through the Better Places Program.~~

### 20 Sec. 8. BETTER PLACES PROGRAM; REPEAL; EFFECTIVE DATE



1        24 V.S.A. § 2799 (Better Places Program and Fund) is repealed on July 1,  
2        2023.

3        **Sec. 9. BETTER PLACES PROGRAM; REPORT**

4        (a) On January 15, 2022 and 2023, the Department of Housing and  
5        Community Development shall submit to the Senate Committee on Economic  
6        Development, Housing and General Affairs and the House Committee on  
7        Commerce and Economic Development a report regarding the activities of the  
8        Better Places Program.

9        (b) The reports shall:

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

12        (2) report on partner resources and contributions to the Program; and

13        (3) report on any measurable economic activity, which may include the  
14        number of jobs created, the number of visitors, the approximate number of  
15        square feet to be activated or redeveloped, and the number of volunteers  
16        engaged in the project.

17        \* \* \* International Business Attraction and Investment Program \* \* \*

18        **Sec. 10. FINDINGS**

19        (a) The General Assembly finds:

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

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

8           (3) Developing a program to attract businesses and investment from  
9           Canada-based businesses and engaging the services of a foreign trade  
10           representative to provide local recruitment support can allow the State and its  
11           businesses to tap resources of institutions, enterprises, and people to a greater  
12           degree and to develop lead generation services, expansion monitoring, in-  
13           market representation, market intelligence, and the ability to engage and  
14           nurture high-growth companies primed for expansion.

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

19       Sec. 11. APPROPRIATION; REPORT

20           (a) In fiscal year 2022, the amount of The Agency of Commerce and  
21           Community Development shall use the \$300,000.00 is appropriated to it from

1 the General Fund ~~to the Agency of Commerce and Community Development~~  
2 in Sec. G.302(b)(1) of H.439 to provide funding for up to two years to contract  
3 with a foreign trade representative consistent with this act.

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

8 (1) the terms of the contract; and

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

10 (b) On or before January 15, 2023, the Agency of Commerce and  
11 Community Development shall report to the House Committee on Commerce  
12 and Economic Development and the Senate Committee on Economic  
13 Development, Housing and General Affairs concerning:

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

15 (2) the type of businesses, jobs, and wages brought to the State; and

16 (3) recommendations concerning the continuation or expansion of the  
17 program.

18 \* \* \* Workforce Development and Education \* \* \*

19 Sec. 12. WORKFORCE DEVELOPMENT AND EDUCATION

20 (a) Findings.

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

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

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

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

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

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

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

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

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

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

14           Sec. 13. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

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

19           (b) ~~It~~ To continue the success of the Microbusiness Development Program,  
20           in fiscal year 2022, the General Assembly has appropriated the following  
21           amounts in H.439:

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

6           ~~(c) In fiscal year 2022,~~

7           (2) the amount of ~~\$2,000,000.00~~ is appropriated \$1,500,000 from the  
8           funds available to the State under the American Rescue Plan Act of 2021 to the  
9           Department for Children and Families, Office of Economic Opportunity, to be  
10          granted to the Community Action Agencies for the Statewide Community  
11          Action Network’s Economic Micro Business Recovery Assistance for the  
12          COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont  
13          microbusiness owners impacted by COVID-19 business closure orders with  
14          access to grants and technical assistance and for new businesses started by  
15          individuals who have been impacted by the COVID-19 pandemic through  
16          layoffs, furloughs, reduced hours, or due to being employed in an industry that  
17          has been severely affected.

18          Sec. 14. STATE BIPOC BUSINESS DEVELOPMENT

19          (a) Intent.

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

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

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

15           (b) Findings.

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

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

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

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

10                  (C) improve language access and cultural competency practices  
11                  within State economic development programs and strengthen connections to  
12                  BIPOC businesses; and

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

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

19                   (B) When the portal becomes active, which is projected to occur in  
20                   2022, the Secretary of State will collect data on race, ethnicity, and gender for  
21                   individuals registering businesses.



1           (c) BIPOC business development project.

2                   (1)(A) ~~In fiscal year 2022, the amount of \$100,000.00 is appropriated~~  
3 ~~from the funds available to the State under the American Rescue Plan Act of~~  
4 ~~2021~~ ~~Of the \$150,000 appropriated~~ to the Agency of Commerce and  
5 ~~Community Development~~ ~~in Sec. G.302(a)(13) to provide outreach and~~  
6 ~~technical assistance for BIPOC-owned businesses, the Agency shall~~ ~~to provide~~  
7 ~~funding for a contractor of not more than \$100,000.00~~ ~~one or more contractors~~  
8 ~~to convene BIPOC businesses, organizations, and community leaders; other~~  
9 ~~business organizations; and representatives from the Agency of Commerce and~~  
10 ~~Community Development and other State agencies and departments as~~  
11 ~~necessary, to create a set of recommendations on how to support BIPOC~~  
12 ~~business development, which may include the creation of a BIPOC business~~  
13 ~~network, the creation of minority business development center or authority, or~~  
14 ~~one or more other similar entities or organizations.~~

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

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

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

21                   (B) ~~review and select a contractor on or before September 15, 2021;~~

1 ~~(C)~~ finalize hiring and ensure the contractor begins that work under  
2 any contracts issued 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, the each contractor shall deliver  
21 to 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, ~~the contract~~ each contractor shall  
4 submit a final report summarizing the process and deliberations and a final set  
5 of recommendations on what entities, organizations, or other measures will  
6 best support BIPOC business development.

7 (d) Collection of data.

8 (1) The Secretary of State shall collect race, ethnicity, and gender data  
9 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 (2) The Secretary shall provide data from the portal and from the Office  
13 of Professional Regulation to the Secretary of Administration, which shall  
14 make the data available to relevant agencies and departments within State  
15 government to inform economic development policy priorities and strategies as  
16 it relates to BIPOC-, women-, and gender non-binary-owned businesses and  
17 their needs as businesses and employers.

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

1       Sec. 15. ENTREPRENEURS' SEED CAPITAL FUND

2           (a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital  
3       Fund, created by the Vermont Economic Development Authority pursuant to  
4       10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in  
5       operation since 2010 serving Vermont's entrepreneurs and early-stage  
6       technology-enabled companies for job growth, income potential, and wealth  
7       creation. Since inception, the Fund's portfolio companies have now raised in  
8       excess of \$182 million. The Fund is professionally managed by the Vermont  
9       Center for Emerging Technologies (VCET).

10          (b) Appropriation. The General Assembly has appropriated the amount of  
11       \$900,000.00 is appropriated from the General Fund to the Entrepreneurs' Seed  
12       Capital Fund in Sec. G.302(b)(2) of H.439 to provide risk stage seed capital to  
13       Vermont businesses that have experienced economic disruption either through  
14       reduced business, new business formation, or through an unmanageable  
15       increase in new business due to the COVID-19 crisis.

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

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

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

4           (3) The expected range per new investment is \$20,000.00 to  
5           \$100,000.00 from this appropriation.

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

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

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

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

20           (A) traditional in-person retail operations;

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

1           (C) restaurants and food service operations.

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

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

7           (B) The appointing authorities shall coordinate their appointments to  
8 ensure that the Board comprises advisors with diverse professional and  
9 personal backgrounds and experiences, including representation of women and  
10 BIPOC identified individuals.

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 and the Vermont  
19 Economic Development Authority shall report to the Senate Committee on  
20 Economic Development, Housing and General Affairs and to the House  
21 Committee on Commerce and Economic Development concerning whether

1 and how the Authority can integrate preferential treatment and provide  
2 continuing investment through its lending programs for businesses that have  
3 received capital investment from the Fund.

4 \* \* \* New Relocating and Remote Employees \* \* \*

5 **Sec. 18. INTENT AND PURPOSE**

6 It is the intent of the General Assembly and the purpose of 10 V.S.A. § 4 as  
7 created in this act to:

8 (1) expand the Vermont workforce;

9 (2) attract new residents to the State; and

10 (3) provide support to employers who are unable to fill positions from  
11 among candidates who are already located in this State, whether due to very  
12 low unemployment rate or due to a disconnect between job requirements and  
13 candidate qualifications.

14 **Sec. 19. 10 V.S.A. chapter 1 is amended to read:**

15 CHAPTER 1. ECONOMIC DEVELOPMENT

16 \* \* \*

17 **§ 4. NEW RELOCATING AND REMOTE EMPLOYEES; INCENTIVES**

18 (a) The Agency of Commerce and Community Development shall design  
19 and implement a program to award incentive grants to relocating employees as  
20 provided in this section and subject to the policies and procedures the Agency  
21 adopts to implement the program.

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

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

4           (2) The Agency may award an enhanced grant, which shall not exceed  
5       \$7,500.00, for a relocating employee who becomes a resident in a labor market  
6       area in this State in which:

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

9           (B) the average annual wage in the State exceeds the annual average  
10       wage in the labor market area.

11       (c) The Agency shall:

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

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

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

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



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

5            (1) a description of the policies and procedures adopted to implement  
6        the program;

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

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

11        (e) As used in this section:

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

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

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

20            (2) “Relocating employee” means an individual who on or after July 1,  
21        2021 meets the following criteria:

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

2           (B) The individual:

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

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

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

11           (C) The individual receives gross salary or wages that equal or  
12          exceed:

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

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

15                 (I) the individual becomes a full-time employee at a Vermont  
16          location of a business domiciled or authorized to do business in this State that  
17          is located in a Vermont labor market area in which the average annual  
18          unemployment rate is higher than the average annual unemployment rate for  
19          the State; or

20                 (II) the individual is a full-time employee of an out-of-state  
21          business and performs the majority of his or her employment duties remotely

1 from a home office or a co-working space located in this State, and the  
2 individual becomes a resident in a Vermont labor market area in which the  
3 average annual unemployment rate is higher than the average annual  
4 unemployment rate for the State.

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

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

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

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

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

14 (b) Consistent with subsection (a) of this section, the Agency of Commerce  
15 and Community Development may use any remaining funds appropriated to it  
16 for the New Remote Worker Grant Program and the New Worker Relocation  
17 Incentive Program to:

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

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

7        **Sec. 21. REPEAL**

8        The following are repealed:

9            (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts  
10          and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

11            (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation  
12          Incentive Program).

13                            **\* \* \* Capital Investment Grants \* \* \***

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

15        (a) Creation; purpose; regional outreach.

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

20            (2) The purpose of the program is to make funding available for  
21          transformational projects that will provide each region of the State with the

1 opportunity to attract businesses, retain existing businesses, create jobs, and  
2 invest in their communities by encouraging capital investments and economic  
3 growth.

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

8 (b) Eligible applicants.

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

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

12 (B) The applicant is:

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

15 (II) a nonprofit entity; and

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

18 (C) The applicant demonstrates:

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

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

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

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

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

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

7                   (B) a municipality;

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

11                  (D) a publicly-traded company.

12                  (c) Awards; amount; eligible uses.

13                  (1) An award shall not exceed the lesser of \$500,000 or the estimated  
14                  net State fiscal impact of the project based on Agency modeling.

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

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

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

1        (d) Data model; approval.

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

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

7        (e) Application process; decisions; awards.

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

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

15            (A) increase to grand list value;

16            (B) improvements to supply chain;

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

18            (D) increase to State GDP.

19            (3) The Secretary of Commerce and Community Development shall  
20       appoint an interagency team, which may include members from among the  
21       Department of Economic Development, the Department of Housing and

1 Community Development, the Agency of Agriculture, Food and Markets, the  
2 Department of Public Service, the Agency of Natural Resources, or other State  
3 agencies and departments, which team shall review, analyze, and recommend  
4 projects for funding based on the estimated net State fiscal impact of a project  
5 and on other contributing factors, including:

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

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

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

10 (D) creation and retention of workforce opportunities.

11 (3) The Secretary of Commerce and Community Development shall  
12 consider the recommendations of the interagency team and the Council and  
13 shall give final approval to projects.

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

19 (g) Report. On or before December 15, 2021 the Agency shall submit a  
20 report to the House Committee on Commerce and Economic Development and



1 the Senate Committee on Economic Development, Housing and General  
2 Affairs concerning the implementation of this section, including:

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

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

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

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

8 **\*\*\* Economic Recovery Grants \*\*\***

9 **Sec. 23. ECONOMIC RECOVERY GRANTS**

10 (a) The Agency of Commerce and Community Development shall use the  
11 \$20,000,000 appropriated to it in Sec. G.302(a)(7) of H.439 for Economic  
12 Recovery grants and the amounts appropriated to it in 2021 Acts and Resolves  
13 No. 9, Sec. 3, to provide grants to businesses consistent with the requirements  
14 of that Sec. 3 and further subject to the following:

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

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

20 (3) The Agency may adjust the calculation of tax loss for non-COVID-  
21 19-related items, including carry forward losses and depreciation.

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

7                                 \* \* \* Effective Dates \* \* \*

8        Sec. 24. EFFECTIVE DATES

9        (a) This section and Sec. 20 of this act take effect on passage.

10       (b) The remaining sections of this act take effect on July 1, 2021.

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

\_\_\_\_\_

Senator \_\_\_\_\_

FOR THE COMMITTEE