

1 TO THE HONORABLE SENATE:

Commented [GJ1]:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 62 entitled “An act relating to creating a
4 New Vermont Employee Incentive Program” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 10 V.S.A. chapter 1 is amended to read:

8 CHAPTER 1. ECONOMIC DEVELOPMENT

9 * * *

10 § 4. NEW VERMONT **RELOCATED** EMPLOYEE INCENTIVE

11 PROGRAM

Commented [GJ2]: I know the chair was very certain on the title but it is long My suggestion would be to leave out ‘Vermont’. It is in the requirements that they have to be relocated to Vermont so perhaps is extraneous here?

12 (a) The Agency of Commerce and Community Development shall design
13 and implement a New Vermont **Relocated** Employee Incentive Program to
14 award incentive grants to qualifying new employees as provided in this section
15 and subject to the policies and procedures the Agency adopts to implement the
16 Program.

17 (b) A qualifying new employee may be eligible for a grant under the
18 Program for qualifying expenses, subject to the following:

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

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

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

6 (B) the average annual wage in the State exceeds the annual average
7 wage in the labor market area.

8 (c) The Agency shall:

9 (1) adopt procedures for implementing the Program, which shall include
10 a simple certification process to certify qualifying new employees and
11 qualifying expenses;

12 (2) promote awareness of the Program, including through coordination
13 with relevant trade groups and by integration into the Agency’s economic
14 development marketing campaigns;

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

17 (4) adopt measurable goals, performance measures, and an audit strategy
18 to assess the utilization and performance of the Program; and

19 (5) adopt and update, at least annually, a list of targeted positions that
20 qualify for the purpose of satisfying the criteria for a “new relocating worker”

21 as provided in subdivision (e)(1) of this section.

Commented [GJ3]: The Dol publishes the list of occupations. Not sure ACCD can take on the task of also publishing the list of targeted occupations. Unless the intent here is to disqualify certain occupations? Do we want to do that?

Commented [ZK4R3]: This would be an added layer of complexity in administering the program. Is the intent is to target certain occupational groups in marketing efforts (nurses, trades, veterans) rather than use it as a qualifying criterion.

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) “New relocating worker” means an individual who on or after July 1,
13 2021:

14 (A) becomes a full-time resident of this State;

15 (B) becomes a full-time employee of a business domiciled or
16 authorized to do business in this State;

17 (C) is employed in a position that is included in the Agency’s list of
18 targeted positions, adopted pursuant to subdivision (c)(5) of this section; and

19 (D) receives gross wages that equal or exceed:

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

Commented [ZK5]: What if they were already employed in the current role, prior to July 1, 2021, however they relocated?

Commented [ZK6]: What if they relocate to VT, take a job just over the border in NY or MA but the business is authorized to do business in VT because they have other locations. VT gains a resident but not a worker.

Commented [GJ7]: Same comment as above.

1 (ii) if the employer is located in a labor market area in which the
2 average annual unemployment rate is higher than the average annual
3 unemployment rate for the State, 140 percent of the State minimum wage.

4 (2) “New remote worker” means an individual who:

5 (A) is a full-time employee of a business with its domicile or primary
6 place of business within or outside Vermont;

7 (B) becomes a full-time resident of this State on or after July 1, 2021;
8 and

9 (C) performs the majority of his or her employment duties remotely
10 from a home office or a co-working space located in this State.

11 (3) “Qualifying expenses” means the actual costs a qualifying new
12 employee incurs for one or more of the following:

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

16 (ii) reasonable costs, considering the employee’s location, to access
17 or upgrade broadband internet connectivity; and

18 (iii) membership in a co-working or similar space.

19 (4) “Qualifying new employee” means a new relocating worker or a new
20 remote worker;

Commented [ZK8]: The minimum wage requirement is currently only required for VT employers which seems disadvantageous to VT employers. IF we added it to remote workers who are employed with out of state employers, we would have to determine the minimum wage rates to use.

Commented [GJ9]: Thought we would eliminate ‘within’

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Commented [ZK10]: If the month they move is prorated because they move the last week of a month, this clarifies they can receive one full month of rent as opposed to the only the smaller prorated amount.

Commented [ZK11]: Most often, this category is used to submit their first month’s internet service as opposed to upgrades. Of over \$650K awarded to New Worker grantees this year, only \$2,400 supported internet expenses. This is difficult to administer because applicants often have TV and other services bundled with internet, so staff have to work with them and their provider to determine what amount applies to the internet expense.

1 (A) who in the three years preceding the date on which the worker
2 becomes a full-time resident of this State, has not owned a residence in State;

3 [Sen. Brock Proposal in Blue]

4 and

5 (B) whose employment position in Vermont meets the following:

6 (i) the Agency of Commerce and Community Development has
7 determined that there are an insufficient number of Vermont residents
8 available to fill the position; or

9 (ii) the worker is importing the position into this State and the
10 position is the same or substantially similar to the position the worker performs
11 in another jurisdiction outside Vermont.

12 Sec. 2. IMPLEMENTATION; FUNDING; TRANSITION

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

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

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

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

Commented [GJ12]: How do we check that? Tax?

Commented [ZK13R12]: This also gets difficult because sometimes applicants buy a home here and do not actually relocate until months later because their job or renovations or school timing.

Commented [GJ14]: Not sure how we can do that? The employer is the one recruiting for the position. Perhaps they can attest to this statement?after x months of searching the only applicants were from out of state.....?

Commented [ZK15R14]: I do not think we can determine this, the DOL projections report attempts to do this but there are still employers who need positions filled that are not included on that list. Seems to contradict the marketing strategy to recruit new residents/employees unless they are remote workers for out of state companies. For example, the VT Dental Association is using this as a tool to recruit people to the profession in VT. Not sure how to market it with this added qualification.

Commented [GJ16]: I do not understand what this clause does.

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

2 Incentive Program to:

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

5 (2) award incentives to qualifying employees under the New Vermont
6 Relocated Employee Incentive Program created by this act on or after July 1,
7 2021.

8 Sec. 3. REPEAL

9 The following are repealed:

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

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

14 Sec. 4. EFFECTIVE DATE

15 (a) This section and Sec. 2 of this act shall take effect on passage.

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

17
18 and that after passage the title of the bill be amended to read: “An act
19 relating to creating a New Vermont Relocated Employee Incentive Program”

Commented [ZK17]: The Remote Worker queue was 102 applicants that total \$314k. The New Worker queue is currently estimated to be \$90k. We are not currently accepting applications so these numbers would likely increase if we were to resume taking applications.

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2 (Committee vote: _____)

3

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Senator _____

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FOR THE COMMITTEE