

# Agency of Commerce & Community Development

## Fiscal Year 2022 Budget Presentation



**MISSION:**  
To help Vermonters improve their quality of life and build strong communities.

The Agency is engaged in activities that generate revenue to the State general fund. Our work with existing and new businesses, downtowns and communities, marketing the state for tourism, preservation of the Vermont brand and what makes us special, is all part of what generates income to state government. We are the income side of the state general ledger. Investments in ACCD are investments in income generating activity.

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

## Agency of Commerce and Community Development

**SECRETARY**  
Lindsay Kurrle

**DEPUTY SECRETARY**  
Ted Brady

**STAFF:** 79 (FY 2021)

### FY 2020 Major Department Highlights

<b>Department of Economic Development</b> STAFF: 21	 <b>\$5.4 M</b> FY 2022 Proposed General Fund Appropriation	 <b>288</b> New Vermonters (127 new workers; 161 family members)	 <b>93</b> Business Creations	 <b>52</b> Business Expansions	 <b>1,240</b> Vermont Employees Approved for Training
<b>Department of Housing and Community Development</b> STAFF: 32	 <b>\$3.9 M</b> FY 2022 Proposed General Fund Appropriation	 <b>\$18 M</b> Program Dollars Invested	 <b>\$231 M</b> Total Dollars Leveraged	 <b>4,976</b> Housing Units Created or Preserved	
<b>Department of Tourism and Marketing</b> STAFF: 13	 <b>13.3 M</b> Visitors (includes overnight, day and drive-through visitors)	 <b>\$3.0 B</b> Visitor Spending at Attractions, Lodging and Dining Establishments	 <b>\$373 M</b> Total Tax Revenue Generated by Tourism Activity	 <b>31,336</b> Jobs in the Tourism Industry	

**FY 2022 TOTAL BUDGET**  
**\$49,184,443**

- \$12,681,850 Department of Economic Development
- \$29,456,128 Department of Housing and Community Development
- \$3,505,309 Department of Tourism and Marketing (includes Chief Marketing Office)
- \$3,541,156 Administration

**FY 2022 PROPOSED GENERAL FUND APPROPRIATION:**  
**\$15.9 M**

**BUDGET**  
**\$49,184,443**

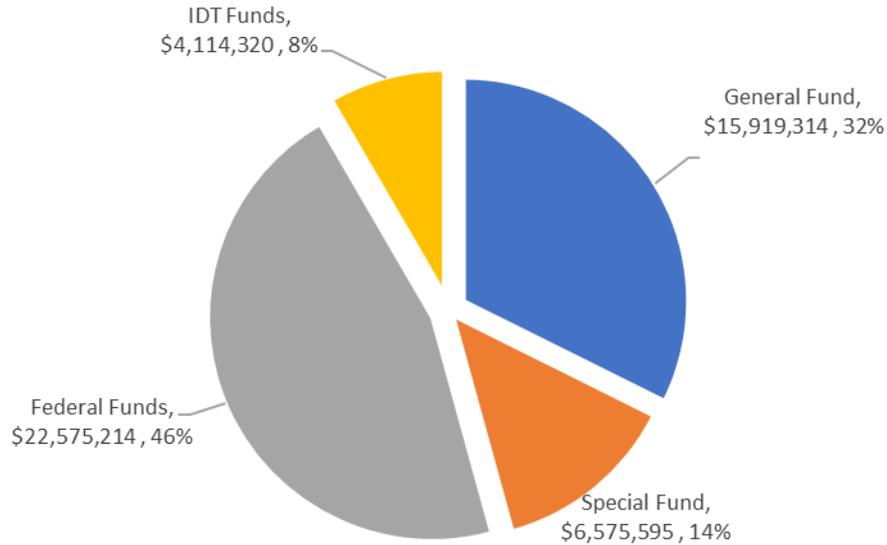
- General Funds \$15,919,314
- Federal Funds \$22,575,214
- Special Funds \$6,575,595
- All Other Funds \$4,114,320

## Comprehensive Agency Strategies

- Illuminate the Vibrancy of Vermont**  
 Market Vermont effectively to increase the number of people visiting, living, and working here.
- Deploy a 21st Century Workforce**  
 Develop a continuum of education and job re/training to enable a robust, modern workforce.
- Ensure Housing for All**  
 Increase the availability and affordability of housing for all Vermonters.
- Accelerate Business Growth & Recruitment**  
 Grow/scale existing businesses and recruit new businesses via a network of technical assistance, access to capital and increased deal flow.
- Strengthen Vibrant Regional Economies & Ecosystems**  
 Focus on place-making to develop and celebrate a shared vision across regional communities and economies, and provide the tools to build and maintain modern infrastructure.

**FY 2022 SUMMARY & HIGHLIGHTS**

Governor's Recommended Budget FY 2022  
 Total \$49.2m



- **Total ACCD Staff:** 79
- **Agency Budget Total:** \$49.2M
- 10.8% Increase in General Fund
- Base General Fund Initiatives:
  - ❖ VT Housing Investment Program **\$1M**
  - ❖ New Worker Grant Program **\$500K**

**FY2022 One Time Expenditures**

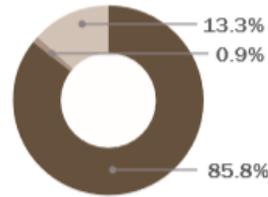
- Economic Development
  - ❖ Technology Based Economic Development/UVM Office of Engagement (**\$1M**)  
 Create a climate where technology businesses can thrive through technical assistance and grants.
  - ❖ Brownfields Econ. Development Catalyst (**\$11M**)  
 Clean up underutilized properties to spur job creation and housing construction.
  - ❖ Montreal Based Business Attraction Investment Program (**\$300K**)  
 Establish recruitment, trade, and tourism office/representation in Quebec.
- Community Investment Package
  - ❖ VT Housing Incentive Program (**\$3M**)  
 Provide incentives to private apartment owners and new home buyers to invest in aging and underutilized housing stock.
  - ❖ Better Places Grants Program (**\$5M**)  
 Support place-based economic development projects to improve and revitalize public spaces.
  - ❖ Downtown Transportation Fund (**\$5M**)  
 Expand eligibility to designated village centers to support local businesses with amenities to boost walking, biking, transit and commerce.
- Vermont Recovery Marketing
  - ❖ Dedicated Tourism and Marketing Funding **\$1M**  
 Create a Tourism Marketing Promotion Fund using the R&M tax generated annually that exceeds revenue targets
  - ❖ Buy Local VT Consumer Stimulus Program **\$1M**  
 Relaunch program to encourage Vermonters to shop local.
- Vermont 250<sup>th</sup> Anniversary Commission **\$25K**

**TOTAL FY2022 GF One-Time Expenditures: \$27.325M**

# Agency of Commerce and Community Development

SECRETARY Lindsay Kurrle  
DEPUTY SECRETARY Ted Brady

**FY22**  
PROPOSAL COST  
**\$114,088,000**



- \$15,200,000 Recovery
- \$1,000,000 Reemployment
- \$97,888,000 Reinvestment

*"Supporting economic growth, strong communities and new housing, especially in the areas that need them most, will help us retain and recruit more families and workers."*

– Governor Phil Scott, 2021 Inaugural Address

**LEGEND**

- Internal Agency (ACCD) One-time Funded Initiative
- External Agency (Non-ACCD) One-time Funded Initiative

Note: Blue tag indicates initiatives administered by external agencies.

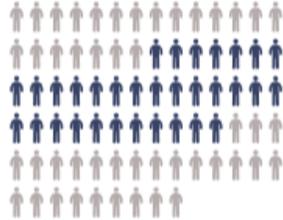
Governor Scott's FY22 Community and Economic Development Proposals						
<b>RECOVERY (\$15,200,000)</b>						
<b>\$10 M (Budget Adjustment)</b> <b>Economic Recovery Grants for New Businesses</b> Provide pandemic-impacted businesses left out of federal and state programs with aid.		<b>\$3.2 M (Budget Adjustment)</b> <b>Vermont Everyone Eats</b> Reallocate FEMA reimbursement to run the program through end of FY21.		<b>\$1 M (\$1M One-time Funding and Ongoing Appropriation)</b> <b>Dedicated Tourism and Marketing Funding from Meals and Rooms Tax Revenue Over Target</b> Create a Tourism Marketing Promotion Fund to supplement the Department of Tourism and Marketing's budget funded by the Meals and Rooms Tax generated annually that exceeds revenue targets.		<b>\$1 M (One-time)</b> <b>Buy Local Vermont Consumer Stimulus Program</b> Relaunch the Buy Local Vermont Consumer Stimulus Program to encourage Vermonters to shop local.
<b>REEMPLOYMENT (\$1,000,000)</b>						
<b>\$500,000</b> <b>Vermont Relocated Worker Grant Program</b> Provide funding for grants to cover incurred moving costs to people who move to Vermont to work full-time for a Vermont employer.		<b>\$0 (No General Fund)</b> <b>Unemployment Insurance Tax Relief</b> Extend freezes on taxable wage base and on the tax schedule to prevent increased unemployment tax rates during pandemic recovery.		<b>\$500,000 (One-time)</b> <b>Vermont Jobs Campaign</b> Develop and implement a comprehensive and integrated workforce expansion initiative focused on COVID-19 recovery including updating Job Link and CRM tools.		
<b>REINVESTMENT (\$97,888,000)</b>						
Community Investments	<b>\$0 (No General Fund)</b> <b>Place-Based Tax Increment Financing</b> Enable Vermont's rural communities to use municipal and education tax increment from select parcels to fund infrastructure projects.	<b>\$0 (No General Fund)</b> <b>Modernize and Improve Act 250</b> Encourage development in appropriate locations, improve regulatory processes, strengthen downtowns, while protecting natural resources and communities.	<b>\$5 M (One-time)</b> <b>Better Places Grants</b> Support place-based economic development projects to improve and revitalize public spaces.	<b>\$5 M (One-time)</b> <b>Downtown Transportation Fund</b> Expand eligibility to designated village centers to support local businesses with amenities to boost walking, biking, transit, and commerce.	<b>\$1.75 M</b> <b>Expanded Downtown Tax Credit</b> Expand the program to \$4.75 million to support improvements to income-producing properties and expand eligibility to Neighborhood Development Areas.	<b>\$25 M (One-time)</b> <b>ACCD \$11M ANR \$14M</b> <b>Brownfields Economic Development Catalyst Grant Program</b> Clean up underutilized properties to spur job creation and housing construction.
	<b>\$20 M (One-time) PSD</b> <b>Broadband Infrastructure Deployment Fund</b> To accelerate "last mile" broadband access in Vermont (consumer line-extension subsidies, statewide pole-data harvesting, grants and a revolving loan fund for facilities-based providers.		<b>\$4 M (\$1M Base Funding and \$3M One-time Funding)</b> <b>Vermont Housing Investment Program</b> Provide incentives to private apartment owners and new home buyers to invest in aging and underutilized housing stock.		<b>\$250,000 (Ongoing)</b> <b>Manufactured Home Replacement Tax Credit Increase</b> Increase the Vermont Housing Tax Credit Program to increase the number of manufactured homes being replaced with energy efficient homes.	<b>\$20 M (One-time) VHCB</b> <b>Increase to the Vermont Housing and Conservation Board</b> Fully-fund VHCB to \$30.8 million with the full property transfer tax payment in FY22.
Housing for All						
Accelerate the Business Climate	<b>\$1 M (One-time)</b> <b>Technology Based Economic Development/ UVM Office of Engagement</b> Create a climate where technology-based businesses can thrive through technical assistance and grants.	<b>\$300,000 (One-time)</b> <b>Establish a Business Attraction Investment Program in Montreal</b> Establish recruitment, trade, and tourism office/representation in Quebec.	<b>\$10 M (One-time) ANR</b> <b>Outdoor Economy Investment</b> \$5 million for the Vermont Outdoor Recreation Economic Collaborative Community Grant Program and \$5 million investment in outdoor recreation assets.	<b>\$700,000 (Ongoing) TAX</b> <b>Manufacturing and Machinery Equipment Tax Exemption</b> Expanding current tax exemption to include all machinery and equipment to provide a clearer path for tax compliance, and incentivize businesses to invest in new and upgraded manufacturing equipment.	<b>\$3 M (One-time) AAFM</b> <b>Working Lands Enterprise Fund</b> To offer farmers and processors access to new markets.	
	<b>\$1 M (One-time)</b> <b>Agency-wide Grant Management System Improvement</b> Expand Salesforce-based system to include all \$33.4 million in grants distributed by ACCD.		<b>\$25,000 (One-time)</b> <b>Vermont 250th Anniversary Commission</b> To enable the state to plan activities related to the 250th anniversary of the American Revolution.		<b>\$863,000</b> <b>Historic Preservation and Building Communities</b> Increase Capital Bill funding to Building Communities Grants, State Historic Sites Major Maintenance, Roadside Historic Site Markers, Underwater Preserves of Lake Champlain and Unmarked Burial Fund.	
Operations						

# Department of Housing and Community Development

**COMMISSIONER**

Josh Hanford

**STAFF:** 32 (FY 2021)



**Summary of FY 2020 Impacts**

**\$18 M**  
PROGRAM DOLLARS  
INVESTED

**\$231 M**  
TOTAL DOLLARS  
LEVERAGED

**262**  
COMMUNITIES  
ASSISTED

**4,976**  
HOUSING UNITS  
CREATED OR  
PRESERVED

**FY 2020 Major Department Highlights**

<p><b>Vermont Community Development Program</b></p> <p>Administers annual federal allocation of Community Development Block Grants through a statewide competitive grant program addressing local needs in the areas of housing, economic development, public infrastructure and services.</p> <p><i>* Based on 2.2 Persons per Household Assisted</i></p>	<p><b>\$7.7 M</b> Program Dollars Invested</p>	<p><b>\$92 M</b> Total Dollars Leveraged</p>	<p><b>11,849</b> Low-Income Vermonters Assisted*</p>	<p><b>143</b> Housing Units Created</p>
<p><b>Community Planning and Revitalization</b></p> <p>Provides training, technical assistance, and funding, and coordinates regional planning efforts, to help communities incent smart growth and working landscapes to bring new vitality to their community centers.</p> <p><i>** Based on Populations of Communities Assisted</i></p>	<p><b>\$5.9 M</b> Program Dollars Invested</p>	<p><b>\$82.9 M</b> Total Dollars Leveraged</p>	<p><b>247,175</b> Vermonters Reached**</p>	<p><b>262</b> Communities Served</p>
<p><b>Historic Preservation</b></p> <p>The Division for Historic Preservation (VDHP) is dedicated to identifying, preserving, and interpreting historic resources on behalf of the citizens of the state and promoting them as significant components of our communities.</p>	<p><b>\$5.2 M</b> Program Dollars Invested</p>	<p><b>\$18.1 M</b> Total Dollars Leveraged</p>	<p><b>63,655</b> Annual Number of Visitors at State-owned Historic Sites</p>	<p><b>94</b> Historic Properties Assisted</p>
<p><b>Housing</b></p> <p>Coordinates state housing policy through the VT Housing Council and HUD Consolidated Plan. Administers the statutory requirements of the Mobile Home Park Program and administers the VT Charitable Housing Tax Credit.</p>	<p><b>\$72,000</b> Program Dollars Invested</p>	<p><b>\$131,869</b> Total Dollars Leveraged</p>	<p><b>10,694</b> Vermonters Served*</p>	<p><b>4,861</b> Housing Units Preserved</p>

**FY 2022 PROPOSED GENERAL FUND APPROPRIATION: \$3.9 M**

**BUDGET \$29,456,128**

● General Funds	\$3,884,934	
● Federal Funds	\$18,277,129	
● Special Funds	\$4,890,245	
● All Other Funds	\$2,403,820	

Fiscal Year 2022 Budget Development Form - Department of Housing and Community Development					
	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
<b>Approp #1, Department of Housing &amp; Community Development- FY 2021 Approp</b>	<b>2,791,111</b>	<b>5,398,955</b>	<b>8,164,967</b>	<b>2,876,286</b>	<b>19,231,319</b>
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)					-
FY 2021 After Other Changes	-	-	-	-	-
<b>Total Approp. After FY 2021 Other Changes</b>	<b>2,791,111</b>	<b>5,398,955</b>	<b>8,164,967</b>	<b>2,876,286</b>	<b>19,231,319</b>
<b>PERSONAL SERVICES</b>					
Salary Increases	(15,269)	(65)	15,906		582
Fringe Increases	(6,058)	(392)	23,896		17,445
Salary Offset: One-Time CDBG Federal Admin Funding	(224,397)		224,397		-
Fringe Offset: One-Time CDBG Federal Admin Funding	(87,265)		87,265		-
<b>Total Net Salary/Fringe Changes</b>	<b>(332,989)</b>	<b>(447)</b>	<b>351,463</b>	<b>-</b>	<b>18,027</b>
Decision Item: Funding to support a new position for the DOC Transitional Housing Project	100,000				100,000
Temporary Staff (Historic Sites Reduction due to COVID)		(50,800)			(50,800)
Internal Service Fee - Workers Comp	4,980	2,434	6,889		14,303
Other Personal Services - Accounting Fund Correction	141,250	1,500	20,432	(32,000)	131,182
Unemployment Compensation/Catamount Health Assessment/Per Diem	(6,546)				(6,546)
Contracts & 3rd Party Services	(755)	(6,000)		(74,286)	(81,041)
<b>Total Net Other Personal Service Changes</b>	<b>138,929</b>	<b>(52,866)</b>	<b>27,321</b>	<b>(106,286)</b>	<b>7,098</b>
<b>TOTAL PERSONAL SERVICE CHANGES</b>	<b>(94,060)</b>	<b>(53,313)</b>	<b>378,784</b>	<b>(106,286)</b>	<b>125,125</b>
<b>OPERATING</b>					
Historic Sites - Operating at full capacity	312,333	(312,333)			-
Historic Sites - 40% Reduction to get to Level Fund	(125,746)				(125,746)
Internal Service Fee - VISION, ADS, Allocated Fee	(12,797)	(4,433)	2,349		(14,881)
Operating - Miscellaneous increases, Equipment, Mobile Data, Advertising	14,093	1,888	317		16,298
<b>TOTAL OPERATING CHANGES</b>	<b>187,883</b>	<b>(314,878)</b>	<b>2,666</b>	<b>-</b>	<b>(124,329)</b>
<b>GRANTS</b>					
Vermont Housing Investment Program (VHIP)	1,000,000				1,000,000
Downtown Stormwater Project Planning & Better Connections Program (Clean Water Funds)		31,000			31,000
Community Development Block Grant Program, Program Income & HOME Grant			541,309		541,309
Community Development Block Grant - COVID Relief			8,486,191		8,486,191
Community Development Block Grant - Recovery Housing			692,760		692,760
National Park Service (NPS) Grants-in-Aid & Preservation Trust of Vermont			10,452		10,452
Spending Authority Adjustments: Downtown Program; VW Mitigation Program & VHCB Disaster Recovery Buyout Program		(171,519)		(366,180)	(537,699)
<b>TOTAL GRANT CHANGES</b>	<b>1,000,000</b>	<b>(140,519)</b>	<b>9,730,712</b>	<b>(366,180)</b>	<b>10,224,013</b>
<b>Subtotal of Increases/Decreases</b>	<b>1,093,823</b>	<b>(508,710)</b>	<b>10,112,162</b>	<b>(472,466)</b>	<b>10,224,809</b>
<b>FY 2022 Governor Recommend</b>	<b>3,884,934</b>	<b>4,890,245</b>	<b>18,277,129</b>	<b>2,403,820</b>	<b>29,456,128</b>
<b>Department of Housing &amp; Community Development FY 2021 Appropriation</b>	<b>2,791,111</b>	<b>5,398,955</b>	<b>8,164,967</b>	<b>2,876,286</b>	<b>19,231,319</b>
<b>Reductions and Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SFY 2021 Total After Reductions and Other Changes</b>	<b>2,791,111</b>	<b>5,398,955</b>	<b>8,164,967</b>	<b>2,876,286</b>	<b>19,231,319</b>
<b>TOTAL INCREASES/DECREASES</b>	<b>1,093,823</b>	<b>(508,710)</b>	<b>10,112,162</b>	<b>(472,466)</b>	<b>10,224,809</b>
<b>Department of Housing &amp; Community Development FY 2022 Governor Recommend</b>	<b>3,884,934</b>	<b>4,890,245</b>	<b>18,277,129</b>	<b>2,403,820</b>	<b>29,456,128</b>

# Vermont Housing Investment Program (\$3M)

## *One-Time Funding*

**Rental Housing Investment Program: \$3,000,000** Incentivizing private apartment owners to re-invest in rental units that have been closed due to housing quality concerns. By providing more available grants, to be matched with private investments.

# Vermont Housing Investment Program (\$1M)

## *Base Funding*

### **Homeowner Purchase & Rehabilitation Investment**

A new program that will assist middle income families to purchase and rehabilitate affordable homes currently available in “Opportunity Neighborhoods” throughout Vermont’s slower growing regions. **Minority Ownership Set-aside: 25%**

# Create Better Places Grant Program (\$5M)

## *One-Time Funding*

- Establish a community grant program that strategically coordinates the efforts of several funders supporting economic development projects to improve and revitalize public spaces;
- Creating partnerships between state, nonprofit, and philanthropic organizations, the Better Places proposal utilizes an innovative ‘crowdgranting’ funding model to support community development efforts in Vermont’s downtowns, villages, and neighborhoods.

# Downtown Transportation Fund (\$5M)

## *One-Time Funding*

Increase funding for the Downtown Transportation Fund and expand eligibility to support state designated village centers that have developed plans to support local businesses with amenities to boost walking, biking, transit, and commerce.

# Expanded Downtown Tax Credit Program

Increase the successful Downtown Tax Credit Program by \$1.75M.

# Manufactured Home Replacement Tax Credit Expansion

Increase the successful VT Housing Tax Credit Program to increase affordability and accessibility of home ownership for young and new Vermont families. Will help existing low- and middle-income Vermont families who want to replace their existing energy inefficient mobile homes.

# Department of Economic Development

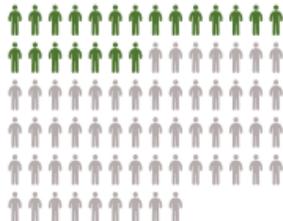
**COMMISSIONER**

Joan Goldstein

**DEPUTY COMMISSIONER**

Brett Long

**STAFF:** 21 (FY 2021)



**Summary of FY 2020 Impacts**

- 288** NEW VERMONTERS
- \$30.3 M** VEGI QUALIFYING DIRECT NEW PAYROLL, TOTAL
- \$10 M** TIF GENERATED INCREMENTAL REVENUE
- 1,240** VERMONT EMPLOYEES APPROVED FOR TRAINING

## FY 2020 Major Department Highlights

<p><b>New Worker Grant Program (2020)</b></p> <p>The New Worker Grant Program provides an incentive to individuals who move to Vermont and work for a Vermont employer. Reimbursable expenses include moving costs and job-related expenses such as connectivity costs and specialized tools and equipment.</p>	<p><b>288</b> New Vermonters (127 new workers; 161 family members)</p>	<p><b>\$4,617</b> Average Grant Amount</p>	<p><b>80</b> Vermont Towns with New Residents from 109 Different Cities Across the U.S and Germany</p>	<p><b>34</b> Average Age of Grantee</p>
<p><b>Vermont Economic Progress Council</b></p> <p>Independent council of citizens and legislators that serves as an approval and authorization body for the Vermont Employment Growth Incentive (VEGI) program and the Tax Increment Financing (TIF) District program.</p>	<p><b>\$30.3 M</b> Qualifying Direct New Payroll, Total (VEGI 2018)</p>	<p><b>670</b> Qualifying Direct New Jobs, Total (VEGI 2018)</p>	<p><b>\$10 M</b> Total Incremental Revenue (TIF 2019)</p>	<p><b>\$11 M</b> Public Infrastructure Investment (TIF 2019)</p>
<p><b>Vermont Training Program (VTP)</b></p> <p>Funding available to employers to defray a portion of the expenses of training personnel. Can be vendor training or on the job. * Statewide median wage -6.7%</p>	<p><b>\$1.3 M</b> General Fund Appropriation</p>	<p><b>45</b> Total Businesses Served</p>	<p><b>1,240</b> Vermont Employees Approved for Training</p>	<p><b>3.1%</b> Median Wage Increase from FY19 to FY20 *</p>
<p><b>Procurement Technical Assistance Center (PTAC)</b></p> <p>Team of 7 located throughout the state to help businesses secure contracts from local, state, and federal government.</p>	<p><b>\$873,491</b> Federal Award and General Fund Match</p>	<p><b>\$226 M</b> Total Dollar Value of Contracts Assisted</p>	<p><b>1,933</b> Hours of Counseling Time for Client Support</p>	<p><b>6,067</b> Number of Contracts Won</p>
<p><b>Captive Insurance</b></p> <p>Market to global businesses to domicile their captive insurance company in Vermont.</p>	<p><b>\$530,350</b> Special Funds (FY20)</p>	<p><b>\$26.93 M</b> Taxes and Fees Generated (2019)</p>	<p><b>38</b> Captives Licensed (2020)</p>	<p><b>564</b> Number of Active Captives</p>

**FY 2022 PROPOSED GENERAL FUND APPROPRIATION: \$5.4 M**

**BUDGET \$12,681,850**

- General Funds: \$5,398,915 (42.6%)
- Federal Funds: \$3,907,085 (30.8%)
- Special Funds: \$1,685,350 (13.3%)
- All Other Funds: \$1,690,500 (13.3%)

# Department of Economic Development

Housed in the Agency of Commerce and Community Development, the Department of Economic Development works to improve the economic well-being of Vermonters. Our primary objective is to build the Vermont economy by helping companies, individuals and organizations gain access to the resources they need to grow their businesses, expand markets, create new jobs, find workers, build skills, invest in Vermont and improve Vermonters' quality of life.

## Program Focus Areas

- Worker Recruitment;
- Business Support;
- Economic Development Marketing; and
- Economic Investments

## Measuring Success

- Value & number of capital investments;
- increase in the number of businesses created/recruited;
- Increase in the size of the workforce.

## COVID-19 Response

The Department of Economic Development, in partnership with the Department of Taxes, was responsible for the creation and deployment of the Emergency Economic Recovery Grants Program. From June through December, the two Departments were able to grant over \$300 million in Coronavirus Relief Funds directly to Vermont businesses.

**Fiscal Year 2022 Budget Development Form - Economic Development**

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
<b>Approp #1 Economic Development: FY 2021 Approp</b>	4,910,253	1,945,350	3,518,769	45,000	10,419,372
<b>Other Changes:</b> (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget]					0
<b>FY 2021 After Other Changes</b>	0	0	0	0	0
<b>Total Approp. After FY 2021 Other Changes</b>	4,910,253	1,945,350	3,518,769	45,000	10,419,372
<b>Personal Services</b>					
Salary change	16,579	(11,029)	3,064		8,614
Fringe Benefit change	(44)	(2,949)	2,325		(668)
Salary change - RFR	4,068				4,068
Fringe Benefit change - RFR	1,483				1,483
Salary NBRC Exec Director Project completed		(101,525)			(101,525)
Fringe NBRC Exec Director Project completed		(30,617)			(30,617)
<b>Total Net Salary/Fringe Changes</b>	22,086	(146,120)	5,389	-	(118,645)
Internal Service Fee - Workers Comp	(2,219)	(504)	(621)		(3,344)
Other Personal Services - NBRC Major Object Code Change to Grants			(63,057)		(63,057)
Contracted 3rd Party Services - OEA Additive Manufacturing Award completed			(146,100)		(146,100)
Net Contracted 3rd Party Services	(4,894)	4,000	(4,094)		(4,988)
<b>Total Personal Services Change</b>	14,973	(142,624)	(208,483)	-	(336,134)
<b>Operating</b>					
Internal Service Fees - base change (Insurances, VISION, ADS Allocated Fee)	(9,119)	(8,447)	(2,570)		(20,136)
NBRC Exec Director Project completed		(129,749)			(129,749)
PTAC Federal Award increase - GF Match demand	23,846		35,152		58,998
Net Operating changes to level fund: marketing, business recruitment, travel, equipment	(39,658)	20,820	(783)		(19,621)
<b>Total Operating Change</b>	(24,931)	(117,376)	31,799	-	(110,508)
<b>Grants</b>					
Job Zones	(1,380)				(1,380)
NBRC Capacity			190,000		190,000
Brownfield EPA award			375,000		375,000
Newport Economic Development EB-5 Settlement				1,645,500	1,645,500
New Worker Relocation Incentive Program	500,000				500,000
<b>Total Grants Change</b>	498,620	-	565,000	1,645,500	2,709,120
<b>Subtotal of Increases/Decreases</b>	488,662	(260,000)	388,316	1,645,500	2,262,478
<b>FY 2022 Governor Recommend</b>	5,398,915	1,685,350	3,907,085	1,690,500	12,681,850
<b>Economic Development FY 2021 Appropriation</b>	4,910,253	1,945,350	3,518,769	45,000	10,419,372
<b>Reductions and Other Changes</b>	0	0	0	0	0
<b>SFY 2020 Total After Reductions and Other Changes</b>	4,910,253	1,945,350	3,518,769	45,000	10,419,372
<b>TOTAL INCREASES/DECREASES</b>	488,662	(260,000)	388,316	1,645,500	2,262,478
<b>Economic Development FY 2022 Governor Recommend</b>	5,398,915	1,685,350	3,907,085	1,690,500	12,681,850

# **New and Relocated Worker Program (\$500k)**

## *Base funding*

Additional investment of \$500,000 in the New Worker Relocation Grant program to provide funding for direct grants to cover incurred moving costs to eligible individuals who move to Vermont to work full-time for a Vermont employer. \$100,000 set-aside to increase the racial and ethnic representation in Vermont's communities and in the labor force;

# **Technology-Based Economic Development Program and Partnership (\$1M)**

## *One-Time Funding*

\$1M to create a Technology-Based Economic Development (TBED) program in Department of Economic Development and in partnership with the University of Vermont's newly created Office of Engagement (OOE).

# International Business Attraction and Investment Program (300k)

## *One-Time Funding*

\$300,000 to establish a foreign investment program by establishing representation for our recruitment, trade, and tourism efforts on-the-ground in Quebec. Business investment by Quebec-based businesses is expected to generate increased employment, increase the range of job opportunities for Vermonters and increase the dynamism of our communities.

# Brownfields Economic Development Catalyst Program (\$11M)

## *One-Time Funding*

The Brownfields program is used to clean up underutilized properties to spur job creation and housing construction. These funds will specifically be used to target brownfield redevelopment projects that have stalled, most often because they are not eligible for federal funding or have reached funding caps in currently available programs. *There are more than 5,000 large and small brownfield properties that exist in most communities around the state.*

# Place-Based Economic Development

To enable Vermont's rural communities to be approved to use municipal and education tax increment from select parcels to fund qualifying infrastructure projects. Expands the TIF program beyond large communities and provides the gap funding for projects that will spur economic development in growth in small downtowns and villages.

## Gap Business Grants (\$10M)

### *One-Time Funding*

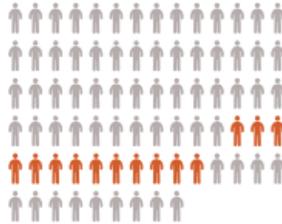
\$10M for businesses that have been ineligible for state or federal aid COVID-19 aide. Prioritizes “very new” businesses that started after February 2020, and who are ineligible for PPP. Includes prioritization for businesses that changed ownership in 2020, and who do not have 2019 financial look-back.

# Department of Tourism and Marketing

**COMMISSIONER**

Heather Pelham

**STAFF:** 13 (FY 2021)



**Summary of 2019 Impacts**

**13.3 M**  
AVERAGE ANNUAL VISITORS

**\$3.0 B**  
VISITOR SPENDING

**\$373 M**  
TAX REVENUE GENERATED

**\$1,420**  
TAX SAVINGS TO EVERY VERMONT HOUSEHOLD

**31,336**  
JOBS IN THE TOURISM INDUSTRY

**2019 Economic Impact**

**Tax Revenue**

Vermont's tourism industry is a crucial part of our economy. The tax revenue tourism generates contributes to the General Fund and reduces the tax burden on Vermont residents. The total tax revenue generated includes rooms and meals, sales and gasoline taxes attributed to visitors, income tax from Vermonters employed in the sector, and property taxes paid by second-home owners.



**\$106.9 M**

Rooms and Meals Tax Revenue Generated by Tourism Activity



**\$373 M**

Total Tax Revenue Generated by Tourism Activity



**\$1,420**

Tax Relief Per Year Per Vermont Household (262,767 households) from Tax Revenue by Visitor Spending

**Visitation and Visitor Spending**

Visitor spending consists of guest and second homeowner activity at attractions, outdoor recreation, lodging and dining establishments. Data shows that visitation trends remain strong, bringing economic activity to communities throughout the state and improving the bottom line of thousands of local businesses.



**13.3 M**

Visitors (includes overnight, day and drive-through visitors)



**\$3.0 B**

Visitor Spending at Attractions, Lodging and Dining Establishments



**8.2 M**

Overnight Stays (lodging, second homes, campgrounds and family)

**Employment**

Visitor spending supports the salaries of over 10% of Vermont's workforce. Tourism generates personal and business income that circulates through our communities via day-to-day commerce at local businesses. Tourism-related jobs include occupations in over 30 NAICS classifications and self-employment.



**31,336**

Jobs in the Tourism Industry



**\$1.04 B**

Wages Paid in the Tourism Industry)



**10%**

Percentage of Vermont's Workforce

**Reach**

Local businesses throughout the state, from cheesemakers to breweries to farm operations, in addition to attractions, outdoor recreation, lodging and dining establishments, benefit from visitor spending, impacting communities statewide. Top of the marketing funnel tactics by VDTM help individual properties and communities reach the largest possible audience.



**63.9 M**

Total Impressions from Paid Marketing Activity (2019)



**886,944**

Total Website Sessions on VermontVacation.com (2019)



**119,666**

Total Social Media Followers (as of 12/31/2019)



**22,346**

Vermont Vacation Packets Sent in Response to Requests for Information

**FY 2022**

PROPOSED GENERAL FUND APPROPRIATION:

**\$3.5 M**

**BUDGET**

**\$3,505,309**

- Marketing and Advertising \$1,995,930
- Industry Outreach and Support \$509,182
- Communications and PR \$347,442
- Creative Services \$258,334
- Administration and Research \$394,421



# Department of Tourism and Marketing

The Vermont Department of Tourism and Marketing's (VDTM) primary objective is to expand awareness of Vermont as a tourism destination and to increase the number of visitors to the state. More broadly, our mission is to promote Vermont's travel, recreation, cultural and historic attractions, as well as the state's goods and services, in coordination with public and private sector partners and to market to a global audience in a manner consistent with the values and traditions of the state for the economic benefit of all Vermonters.

## Program Focus Areas

- Promote Vermont as a top, year-round, global tourism destination and an ideal place to live and work;
- Utilize owned, earned and paid media strategies and tactics;
- Collaborate with regional, industry and private partners;

## Measuring Success

- Number of visitors, visitor spending
- Total tax revenue generated
- Jobs in the tourism industry sectors
- Reach of marketing efforts

## COVID-19 Response

The Department was allocated \$6.5M to encourage visitation and consumer spending and publicize the resumption of activities and steps taken to ensure a safe experience. Activities included:

- Local, regional and national brand awareness campaigns, with aspirational and safe travel messaging
- Regional marketing and stimulus grant program (60 communities up to \$10K each)
- Buy Local statewide consumer stimulus discount program and BuyVermontMade.com holiday promotion
- Brand-building events to support arts and culture sector, long-term brand affinity and relocation
- Crisis communications, COVID-19 Resource Recovery Center, and business outreach and guidance

## Fiscal Year 2022 Budget Development Form - Tourism & Marketing

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
<b>Approp #1 Tourism &amp; Marketing: FY 2021 Approp</b>	<b>3,489,598</b>	<b>0</b>	<b>0</b>	<b>24,587</b>	<b>3,514,185</b>
<b>Other Changes:</b> (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)					0
<b>FY 2021 After Other Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Approp. After FY 2021 Other Changes</b>	<b>3,489,598</b>	<b>0</b>	<b>0</b>	<b>24,587</b>	<b>3,514,185</b>
<b>Personal Services</b>					
Salary change	19,467				19,467
Fringe Benefit change	(16,802)				(16,802)
Total Salary/Benefit base change	2,665				2,665
					-
Other Personal Services - Temp Employees	(15,683)				(15,683)
					-
Internal Service Fee - Workers Comp	(1,209)				(1,209)
					-
Contracted 3rd Party Services	38,650			(4,587)	34,063
					-
<b>Total Personal Services Change</b>	<b>24,423</b>			<b>(4,587)</b>	<b>19,836</b>
<b>Operating</b>					
Internal Service Fees - base change (Insurances, VISION, ADS Allocated Fee)	(3,080)				(3,080)
					-
Net Operating changes to level fund: marketing, travel, equipment	(25,632)				(25,632)
					-
<b>Total Operating Change</b>	<b>(28,712)</b>			<b>-</b>	<b>(28,712)</b>
<b>Subtotal of Increases/Decreases</b>	<b>(4,289)</b>	<b>0</b>	<b>0</b>	<b>(4,587)</b>	<b>(8,876)</b>
<b>FY 2022 Governor Recommend</b>	<b>3,485,309</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>3,505,309</b>
<b>Tourism &amp; Marketing FY 2021 Appropriation</b>	<b>3,489,598</b>	<b>0</b>	<b>0</b>	<b>24,587</b>	<b>3,514,185</b>
<b>Reductions and Other Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SFY 2020 Total After Reductions and Other Changes</b>	<b>3,489,598</b>	<b>0</b>	<b>0</b>	<b>24,587</b>	<b>3,514,185</b>
<b>TOTAL INCREASES/DECREASES</b>	<b>(4,289)</b>	<b>0</b>	<b>0</b>	<b>(4,587)</b>	<b>(8,876)</b>
<b>Tourism &amp; Marketing FY 2022 Governor Recommend</b>	<b>3,485,309</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>3,505,309</b>

# **Dedicated Tourism & Marketing Funding Formula and Initial Investment (\$1M)**

## *One-Time Funding*

Creates a “Tourism and Marketing Fund” that is supplemental to the State’s current marketing appropriation and seeds the fund with \$1M. The proposal also creates a dedicated funding formula from the Rooms and Meals tax generated annually that exceeds targets.

# **Buy Local Consumer Stimulus Program (\$1M)**

## *One-Time Funding*

Relaunch of the “Buy Local Vermont Consumer Stimulus Program” with a one-time investment of \$1 million to encourage Vermonters to shop local. The previous program invested \$500,000 of CRF funds and offered 11,846 Vermonters discounts at Vermont businesses. 974 businesses participated, receiving an average \$436 of CRF funding. The average offer incentivized a 73% additional spend from the consumer, 70% of which were first-time visitors to those businesses. The relaunched program is anticipated to impact 20,000 Vermonters and more than 1,500 businesses.

## Fiscal Year 2022 Budget Development Form - ACCD-Administration

	General \$\$	Special \$\$	Federal \$\$	CRF \$\$	Interdept'l Transfer \$\$	Total \$\$
<b>Approp #1 [Name]: FY 2021 Approp</b>	3,171,540	0	391,000	750,000	0	4,312,540
<b>Other Changes:</b> (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget)						0
<b>FY 2021 After Other Changes</b>	0	0	0	0	0	0
<b>Total Approp. After FY 2021 Other Changes</b>	3,171,540	0	391,000	750,000	0	4,312,540
Salary increases	7,926					7,926
Benefit increases	1,000					1,000
	8,926	0	0	0	0	8,926
Workers' Comp reduction	(3,128)					(3,128)
<b>Total Personal Services Change</b>	5,798	0	0	0	0	5,798
CRF Miscellaneous Operating Expense elimination				(750,000)		(750,000)
Internal Service Fee reductions	(18,256)					(18,256)
National Life Rent reduction	(8,726)					(8,726)
ADS SLA (Salesforce and Geocortex licenses) net increase	10,259					10,259
ADS Staffing Charges reduction	(12,545)					(12,545)
Operating increase -equipment	2,086					2,086
<b>Total Operating Change</b>	(27,182)	0	0	(750,000)	0	(777,182)
						0
<b>Total Grants Change</b>	0	0	0	0	0	0
						0
<b>Subtotal of Increases/Decreases</b>	(21,384)	0	0	(750,000)	0	(771,384)
<b>FY 2022 Governor Recommend</b>	3,150,156	0	391,000	0	0	3,541,156

# Vermont 250<sup>th</sup> Commission (\$25k)

## *One-Time Funding*

- Commission was established via Executive Order No. 06-20
- Established to plan, encourage, develop, coordinate, and promote observances and activities to be held in Vermont in commemoration of the historic events that preceded and are associated with the 250th anniversary of the American Revolution in the State of Vermont.
- Tasked with coordinating, reviewing, and promoting programs and activities throughout the state relating to the American Revolutionary War, in particular Vermont's involvement to deepen the knowledge and understanding of this formative period of American history.
- First meeting of the full Commission will occur on or before March 1, 2021.

# Grants Management Systems Improvement (\$1M)

## *One-Time Funding*

- This one-time funding will be used to complete a systems conversion that will enable the Agency, and several state partners, to utilize a central portal for manage customer relationships, and help the Agency immediately understand customer needs.
- There are several critical regional partners involved in managing customer/business retention and opportunities, and it is imperative that the State have available a centralized system that allows information to be passed along more efficiently.
- Efficient and centralized communication will translate into the Agency being able to act rapidly when opportunities arise, and through the data collected, will help in steering State partners towards collective statewide goals.