

# MEMORANDUM

**To:** Senator Jane Kitchel, Chair, Senate Appropriations Committee  
Representative Mary Hooper, Chair, House Appropriations Committee

**From:** Lindsay Kurrle, Secretary, Agency of Commerce and Community Development; Tayt Brooks, Deputy Secretary; Joan Goldstein, Commissioner, Department of Economic Development, Agency of Commerce and Community Development

**Date:** April 8, 2022

**Re:** Economic Development Appropriations and Funding

**CC:** Senator Michael Sirotkin, Chair, Senate Economic Development, Housing and General Affairs Committee  
Representative Michael Marcotte, Chair, House Commerce and Economic Development Committee

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Chair Kitchel & Chair Hooper:

This memo is intended to serve as an outline of the concerns the Agency of Commerce and Community Development has regarding the lack of economic development funding and line item in the House-passed version of H.740. With that, it is with sincerity that I offer open communication moving forward as the House and Senate work to reconcile the budget and policy differences. The Agency of Commerce, and all 95 employees, have worked tirelessly the last 25 months to serve Vermont communities, small businesses, workers and our most vulnerable populations. We are proud of all we have accomplished, and very much look forward to continuing that momentum.

The Agency's Fiscal Year 2023 budget proposal was guided by the critical economic recovery assistance needed in our most disproportionately impacted industries and in our smallest, most rural communities. We have an unprecedented opportunity to help these communities turn the corner.

First, we hope to adapt programs based on what we learned from last year's investments. The prescriptive nature of the Economic Recovery Bridge Program the legislature created and passed in 2021 had the unintended consequence of being inaccessible to so many businesses that needed it. The creation of a forgivable loan program within the Vermont Economic Development Authority will capture those businesses who were unable to access previous grants, and who are in critical need of financial support. The Capital Investment Grant program is over-subscribed, and more recovery dollars are needed to help fund projects in our disproportionately impacted communities and industries such as

Arts and Culture and Accommodation and Food Services. These dollars are intended to stimulate economic activity, job growth, and grand list enhancement.

Next, in addition to significant investment in training and retaining Vermonters and our current workforce, we know we need more people to fill the jobs we have. The Agency's Remote and New Worker program continues to act as an incentive in bringing new families and taxpayers to our state and sets Vermont apart in our region and in the nation. Seeding that program with funding and making it part of the Agency's base budget will ensure that continue to build on the tools we have to attract new families and jobs to our State. The regional relocation network proposal builds off our momentum of the new and remote worker program and will distribute grants to communities to build capacity to convert leads into new Vermonters and give them the administrative support needed to retain families, workers and businesses.

The Agency outlines all of that to highlight the fact that the House-passed version of H.740 does not contain a single dollar, or line item, and all of the one-time, ARPA and general fund dollars for economic development were removed entirely. As we look ahead to the next 4 weeks it is our hope that some of this critical funding can and will be restored and reconciled. The Agency recognizes that it is going to be a difficult task to reconcile even a portion of a \$121,460,000 budget difference, or the reduced amount of \$76,000,000 in economic development appropriations as recommended by the Senate Committee on Economic Development, Housing and General Affairs. Especially given the fact that there is no line item in the house-passed version.

As you are all acutely aware, our businesses need people to fill open jobs to thrive and we are energized by the workforce development bill that prioritizes Career and Technical Education, the trades, nurses and nurse educators and systemic supports for businesses and job seekers. Additionally, while H.740 outlines an alternative path to addressing the State's housing crisis than what the Agency recommended, there is at least a line item, and we remain optimistic that we can work collaboratively towards our common housing goals.

Please do not hesitate to reach out if there are questions the Committee may have about the funding proposals as passed by the Senate Committee on Economic Development, Housing and General Affairs in H.159.

Sincerely,

A handwritten signature in black ink that reads "Lindsay H. Kurrle". The signature is written in a cursive, flowing style.

Lindsay Kurrle, Secretary