

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) Of the \$2,000,000.00 appropriated in Sec. G.302(a)(15) of H.439 to the  
20 Department of Tourism and Marketing, the Department shall allocate funding  
21 as follows:

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

5           (2) \$750,000.00 to develop a grant program to enable local, regional, or  
6           statewide organizations to implement campaigns and initiatives that increase  
7           consumer spending, support local businesses, and advance community  
8           recovery efforts to support businesses in Vermont that have suffered economic  
9           harm due to the COVID-19 public health emergency.

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

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

17                           \* \* \* Technology-Based Economic Development \* \* \*

18          Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

19                           PROGRAM; APPROPRIATION

20          (a) Of the \$800,000.00 appropriated in Sec. G.302(a)(10) of H.439 to the  
21          Agency of Commerce and Community Development for technology-related

1 grants, the Agency shall allocate funds to design and implement a technology-  
2 based economic development program that promotes technology-based  
3 businesses and provides assistance to Vermont businesses that have suffered  
4 economic harm due to the COVID-19 public health emergency, consistent with  
5 the American Rescue Plan Act of 2021, and consistent with the following:

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

9 (2) SBIR; STTR; Phase I and Phase II matching grants. A total of  
10 \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to  
11 businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

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

14 (A) to purchase services and technical assistance from universities  
15 and research institutions, including research and development assistance,  
16 technology assessments, product prototyping, lab validation, and overcoming  
17 development hurdles; and

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

1       (b) Of the \$1,000,000.00 appropriated in Sec. G.302(a)(9) of H.439 to the  
2       University of Vermont to complete the startup of the Office of Engagement,  
3       the University shall use funds for a two-year period to leverage the research  
4       services and data science capabilities of the University to promote technology-  
5       based businesses and to provide assistance to Vermont businesses that have  
6       suffered economic harm due to the COVID-19 public health emergency,  
7       consistent with the American Rescue Plan Act of 2021.

8       (c)(1) On or before January 15, 2022, the Agency of Commerce and  
9       Community Development shall report to the General Assembly concerning the  
10       implementation of subsection (a) of this section, including the provision of  
11       grants and technical assistance, the number of businesses assisted, how many  
12       SBIR/STTR Phase I and II matching grants awarded, how many businesses  
13       received the maximum grant, and how many matching grants and the amounts  
14       awarded through the industry research partnership program.

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



1 (b) Postsecondary CTE System.

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

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

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

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

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

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

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

6           (3) on or before December 15, 2023, a final report with any  
7           recommendations for legislative action ~~to the House Committee on Commerce~~  
8           ~~and Economic Development and the Senate Committee on Economic~~  
9           ~~Development, Housing and General Affairs.~~

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

17          Sec. 4. APPROPRIATION

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



1 are empowered to take ownership of their future to build healthier and  
2 equitable local economies.

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

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

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

11 (3) strategically coordinate and simplify the funding process from  
12 multiple community development funders, streamline the grantmaking and  
13 distribution process, democratize community access to grant funds, and  
14 provide communities a nimble, flexible source to quickly fund and launch  
15 community-driven placemaking projects to make positive and enduring change  
16 locally; and

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

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

2 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

14 (3) any interest earned by the Fund.

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

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

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

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

11          (4) The minimum amount of a grant award is \$5,000.00 and the  
12          maximum amount of a grant award is \$30,0000.

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

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

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

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

1           (D) An applicant shall provide matching funds raised through  
2           crowdfunding of not less than 33 percent of the grant award.

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

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

11          Sec. 7. APPROPRIATION

12          The Agency of Commerce and Community Development shall transfer the  
13          amount of \$1,000,000.00 appropriated to it in Sec. G.302(a)(11) for a Better  
14          Places grant program to the Better Places Fund to provide grants in fiscal years  
15          2022 and 2023 through the Better Places Program.

16          Sec. 8. BETTER PLACES PROGRAM; REPEAL; EFFECTIVE DATE

17          24 V.S.A. § 2799 (Better Places Program and Fund) is repealed on July 1,  
18          2023.

19          Sec. 9. BETTER PLACES PROGRAM; REPORT

20          (a) On January 15, 2022 and 2023, the Department of Housing and  
21          Community Development shall submit to the Senate Committee on Economic

1 Development, Housing and General Affairs and the House Committee on  
2 Commerce and Economic Development a report regarding the activities of the  
3 Better Places Program.

4 (b) The reports shall:

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

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

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

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

13 Sec. 10. FINDINGS

14 (a) The General Assembly finds:

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

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

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

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

12       Sec. 11. APPROPRIATION; REPORT

13           (a) The Agency of Commerce and Community Development shall use the  
14           \$300,000.00 appropriated to it from the General Fund in Sec. G.302(b)(1) of  
15           H.439 to provide funding for up to two years to contract with a foreign trade  
16           representative consistent with this act.

17           (b) On or before January 15, 2022, the Agency of Commerce and  
18           Community Development shall report to the House Committee on Commerce  
19           and Economic Development and the Senate Committee on Economic  
20           Development, Housing and General Affairs concerning:

21           (1) the terms of the contract; and

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

2           (b) On or before January 15, 2023, the Agency of Commerce and  
3           Community Development shall report to the House Committee on Commerce  
4           and Economic Development and the Senate Committee on Economic  
5           Development, Housing and General Affairs concerning:

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

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

8           (3) recommendations concerning the continuation or expansion of the  
9           program.

10                           \* \* \* Workforce Development and Education \* \* \*

11           Sec. 12. WORKFORCE DEVELOPMENT AND EDUCATION

12           (a) Findings.

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

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

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

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

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

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

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

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

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

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

7           Sec. 13. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

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

12           (b) To continue the success of the Microbusiness Development Program, in  
13           fiscal year 2022, the General Assembly has appropriated the following  
14           amounts in H.439:

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

20           (2) the amount of \$1,500,000.00 from the funds available to the State  
21           under the American Rescue Plan Act of 2021 to the Department for Children

1 and Families, Office of Economic Opportunity, to be granted to the  
2 Community Action Agencies for the Statewide Community Action Network’s  
3 Economic Micro Business Recovery Assistance for the COVID-19 Epidemic  
4 (EMBRACE) to assist the Vermont microbusiness owners impacted by  
5 COVID-19 and for new businesses started by individuals who have been  
6 impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced  
7 hours or due to being employed in an industry that has been severely affected.

8 Sec. 14. STATE BIPOC BUSINESS DEVELOPMENT

9 (a) Intent.

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

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

17 (3) In order to rectify this history of inequity, it is the intent of this  
18 General Assembly to acknowledge and address wealth disparity and cultural  
19 disempowerment by creating economic opportunity and cultural  
20 empowerment, using new systems that empower Vermonters who have  
21 historically suffered from discrimination and lacked equal access to public or

1 private economic benefits due to race, ethnicity, geography, language  
2 preference, and immigrant or citizen status.

3 (b) Findings.

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

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

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

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

18 (C) improve language access and cultural competency practices  
19 within State economic development programs and strengthen connections to  
20 BIPOC businesses; and

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

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

7           (B) When the portal becomes active, which is projected to occur in  
8           2022, the Secretary of State will collect data on race, ethnicity, and gender for  
9           individuals registering businesses.

10          (c) BIPOC business development project.

11          (1)(A) Of the \$150,000.00 appropriated to the Agency of Commerce  
12          and Community Development in Sec. G.302(a)(13) to provide outreach and  
13          technical assistance for BIPOC-owned businesses, the Agency shall provide  
14          funding for one or more contractors to convene BIPOC businesses,  
15          organizations, and community leaders; other business organizations; and  
16          representatives from the Agency of Commerce and Community Development  
17          and other State agencies and departments as necessary, to create a set of  
18          recommendations on how to support BIPOC business development, which may  
19          include the creation of a BIPOC business network, the creation of minority  
20          business development center or authority, or one or more other similar entities  
21          or organizations.

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

3           (2) The Executive Director of Racial Equity and the Racial Equity  
4           Advisory Panel, with the collaboration and support of the Agency of  
5           Commerce and Community Development, shall:

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

7           (B) finalize hiring and ensure that work under any contracts issued  
8           begins on or before October 15, 2021.

9           (3)(A) The request for proposals shall include the following  
10           requirements for a qualified contractor:

11           (i) demonstrated experience working with BIPOC businesses or  
12           populations, or both;

13           (ii) knowledge of the Vermont business industries and  
14           concentrations of BIPOC-owned businesses;

15           (iii) proposal on how to convene stakeholders, provide  
16           information, and conduct outreach that includes language access for limited  
17           English-proficient individuals;

18           (iv) economic and business development expertise; and

19           (v) experience in organizational structures.

20           (B) In making their selection, the Panel, Executive Director, and  
21           Agency shall give priority to a contractor with experience working with

1 BIPOC-owned businesses and knowledge of the Vermont business  
2 community.

3 (C) The Agency shall cause the request for proposals to be translated  
4 upon request of a potential applicant.

5 (4)(A) On or before February 15, 2022, each contractor shall deliver to  
6 the Panel, the Director, the Agency, and the legislative committees of  
7 jurisdiction a preliminary report on financial resources and policy changes  
8 needed to support BIPOC business development.

9 (B) On or before July 1, 2022, each contractor shall submit a final  
10 report summarizing the process and deliberations and a final set of  
11 recommendations on what entities, organizations, or other measures will best  
12 support BIPOC business development.

13 (d) Collection of data.

14 (1)(A) The Secretary of State shall collect race, ethnicity, and gender  
15 data for individuals registering businesses in the State of Vermont as part of its  
16 business portal and for individuals seeking licensure, certification, or  
17 registration through the Office of Professional Regulation.

18 (B) The Secretary shall ensure that data collection pursuant to this  
19 subsection is achieved through voluntary procedures and the collection of data  
20 does not affect, and does not create the perception that the information

1 provided affects, any action of the Secretary or the Office of Professional  
2 Regulation.

3 (2) The Secretary shall provide data from the portal and from the Office  
4 of Professional Regulation to the Secretary of Administration, who shall make  
5 the data available to relevant agencies and departments within State  
6 government to inform economic development policy priorities and strategies as  
7 it relates to BIPOC-, women-, and gender non-binary-owned businesses and  
8 their needs as businesses and employers.

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

## 12 Sec. 15. ENTREPRENEURS' SEED CAPITAL FUND

13 (a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital  
14 Fund, created by the Vermont Economic Development Authority pursuant to  
15 10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in  
16 operation since 2010 serving Vermont's entrepreneurs and early-stage  
17 technology-enabled companies for job growth, income potential, and wealth  
18 creation. Since inception, the Fund's portfolio companies have now raised in  
19 excess of \$182 million. The Fund is professionally managed by the Vermont  
20 Center for Emerging Technologies (VCET).

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

7       (c) Investment categories. Notwithstanding any provision of 10 V.S.A.  
8       § 290 to the contrary, the Fund shall invest in businesses consistent with the  
9       following:

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

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

15           (3) The expected range per new investment is \$20,000.00 to  
16           \$100,000.00 from this appropriation.

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

19           (5) In continuing to serve the Vermont innovation ecosystem and  
20           notwithstanding the expedited program timeline, the Fund shall pursue co-  
21           investment participation from local and regional investors, including Vermont

1 venture funds, family offices, community foundations, accredited individual  
2 “angel” investors, lending institutions, and other relevant sources.

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

6 (d) Eligibility. For-profit Vermont businesses are eligible except where  
7 other significant State appropriated Coronavirus Relief Fund program  
8 resources have been directed. These excluded sectors include:

9 (1) traditional in-person retail operations;

10 (2) lodging, hospitality, and real estate operations; and

11 (3) restaurants and food service operations.

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

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

17 (B) The appointing authorities shall coordinate their appointments to  
18 ensure that the Board comprises advisors with diverse professional and  
19 personal backgrounds and experiences.

1           (C) The Board of Advisors shall represent solely the economic  
2 interest of the State with respect to the management of the Fund and shall have  
3 no civil liability for the financial performance of the Fund.

4           (D) The Board of Advisors shall be advised of investments made by  
5 the Fund and shall have access to all information held by the Fund with respect  
6 to investments made by the Fund.

7 **Sec. 17. SEED CAPITAL FUND; REPORT**

8           On or before January 15, 2022 the Seed Capital Fund shall report to the  
9 Senate Committee on Economic Development, Housing and General Affairs  
10 and to the House Committee on Commerce and Economic Development  
11 concerning:

12           (1) whether and how the Fund and the Vermont Economic Development  
13 Authority can integrate preferential treatment and provide continuing  
14 investment through its lending programs for businesses that have received  
15 capital investment from the Fund; and

16           (2) the Fund's efforts and outcomes to prioritize sourcing and providing  
17 funding to BIPOC-, veteran-, and women-owned businesses pursuant to Sec.  
18 16 of this act.



1           (2) The Agency may award an enhanced grant, which shall not exceed  
2           \$7,500.00, for a relocating employee who becomes a resident in a labor market  
3           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 relocating employees and qualifying  
11                  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 relocating employees on a first-come, first-served  
16                  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.

19           (d) Annually, on or before December 15, the Agency shall submit a report  
20           to the House Committee on Commerce and Economic Development and the

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

3 (1) a description of the policies and procedures adopted to implement  
4 the program;

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

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

9 (e) As used in this section:

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

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

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

18 (2) “Relocating employee” means an individual who on or after July 1,  
19 2021 meets the following criteria:

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

21 (B) The individual:

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

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

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

9                    (C) The individual receives gross salary or wages that equal or  
10                   exceed:

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

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

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

18                   (II) the individual is a full-time employee of an out-of-state  
19                   business and performs the majority of his or her employment duties remotely  
20                   from a home office or a co-working space located in this State, and the  
21                   individual becomes a resident in a Vermont labor market area in which the

1 average annual unemployment rate is higher than the average annual  
2 unemployment rate for the State.

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

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

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

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

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

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

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

19 (c) On or before January 15, 2022, the Agency of Commerce and  
20 Community Development shall report to the Senate Committee on Economic  
21 Development, Housing and General Affairs and to the House Committee on

1 Commerce and Economic Development concerning any recommended changes  
2 to the program created in 10 V.S.A § as created in this act, including any  
3 residency requirements or other further changes on new employee eligibility.

4 **Sec. 21. REPEALS**

5 The following are repealed:

6 (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts  
7 and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

8 (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation  
9 Incentive Program).

10 **\* \* \* Capital Investment Grants \* \* \***

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

12 (a) Creation; purpose; regional outreach.

13 (1) The Agency of Commerce and Community Development shall use  
14 the \$11,000,000.00 appropriated to the Department of Economic Development  
15 in Sec. G.302(a)(6) of H.439 to design and implement a capital investment  
16 grant program consistent with this section.

17 (2) The purpose of the program is to make funding available for  
18 transformational projects that will provide each region of the State with the  
19 opportunity to attract businesses, retain existing businesses, create jobs, and  
20 invest in their communities by encouraging capital investments and economic  
21 growth.

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

5           (b) Eligible applicants.

6           (1) To be eligible for a grant, an applicant shall meet the following  
7           criteria:

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

9                   (B) The applicant is:

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

12                                  (II) a nonprofit entity; and

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

15                   (C) The applicant demonstrates:

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

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

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

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

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

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

3           (B) a municipality;

4           (C) a business that, together with any affiliated business, owns or

5 operates more than 20 locations, regardless of whether those locations do

6 business under the same name or within the same industry; and

7           (D) a publicly-traded company.

8           (c) Awards; amount; eligible uses.

9           (1) An award shall not exceed the lesser of \$500,000.00 or the estimated

10 net State fiscal impact of the project based on Agency modeling.

11           (2) A recipient may use grant funds for the acquisition of property and

12 equipment, construction, renovation, and related capital expenses.

13           (3) A recipient may combine grant funds with funding from other

14 sources but shall not use grant funds from multiple sources for the same costs

15 within the same project.

16           (4) The Agency shall release grant funds upon determining that the

17 applicant has met all Program conditions and requirements.

18           (d) Data model; approval.

19           (1) The Agency shall collaborate with the Legislative Economist to

20 design a data model and related methodology to assess the fiscal, economic,

21 and societal impacts of proposals and prioritize them based on the results.

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

3           (e) Application process; decisions; awards.

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

7           (B) The Agency shall make application information available to the  
8 Legislative Economist and the Executive Economist in a timely manner.

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

13           (A) increase to grand list value;

14           (B) improvements to supply chain;

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

16           (D) increase to State GDP.

17           (3) The Secretary of Commerce and Community Development shall  
18 appoint an interagency team, which may include members from among the  
19 Department of Economic Development, the Department of Housing and  
20 Community Development, the Agency of Agriculture, Food and Markets, the  
21 Department of Public Service, the Agency of Natural Resources, or other State

1 agencies and departments, which team shall review, analyze, and recommend  
2 projects for funding based on the estimated net State fiscal impact of a project  
3 and on other contributing factors, including:

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

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

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

8 (D) creation and retention of workforce opportunities.

9 (4) The Secretary of Commerce and Community Development shall  
10 consider the recommendations of the interagency team and shall give final  
11 approval to projects.

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

17 (g) Report. On or before December 15, 2021 the Agency shall submit a  
18 report to the House Committee on Commerce and Economic Development and  
19 the Senate Committee on Economic Development, Housing and General  
20 Affairs concerning the implementation of this section, including:

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

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

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

3           including the projected revenue impacts and other qualitative and quantitative

4           returns on investment in the program based on available data and modeling.

5                           \* \* \* Economic Recovery Grants \* \* \*

6           Sec. 23. ECONOMIC RECOVERY GRANTS

7           (a) The Agency of Commerce and Community Development shall use the  
8           \$20,000,000.00 appropriated to it in Sec. G.302(a)(7) of H.439 for Economic  
9           Recovery grants and the amounts appropriated to it in 2021 Acts and Resolves  
10           No. 9, Sec. 3, to provide grants to businesses consistent with the requirements  
11           of that Sec. 3 and further subject to the following:

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

14                   (2) The Agency shall defer final calculation and payment of grant  
15           awards for a reasonable period of time to determine the availability of COVID-  
16           19-related financial assistance from other State and federal sources.

17                   (3) The Agency may adjust the calculation of tax loss for non-COVID-  
18           19-related items, including carry forward losses and depreciation.

19                   (b) On or before December 15, 2021 the Agency shall submit a report to  
20           the House Committee on Commerce and Economic Development and the  
21           Senate Committee on Economic Development, Housing and General Affairs

1 concerning the implementation of this section, including detailed information  
2 concerning business grant recipients and recommendations for any necessary  
3 legislative action to adjust program criteria and benefits.

4 \* \* \* Apprenticeships \* \* \*

5 Sec. 24. APPRENTICESHIPS

6 (a) The Department shall use the \$2,000,000.00 appropriated to it in Sec.  
7 G.300(a)(1) of H.439 for the expansion of registered apprenticeship enrollment  
8 in current or new programs as described below:

9 (1) The Department shall use not more than \$100,000.00 to conduct a  
10 comprehensive outreach and recruitment effort to enroll new workers into a  
11 federally-recognized registered apprenticeship program.

12 (2) The Department shall use not more than \$1,525,000.00 for related  
13 instruction or on-the-job training costs for new apprentices and shall develop a  
14 standard system of for application for reimbursement not later than August 1,  
15 2021.

16 (3) The Department shall use not more than \$375,000.00 to administer a  
17 voucher system of not more than \$750.00 for new apprentices or their sponsors  
18 to pay for equipment, tools, supplies, or textbooks needed during their first  
19 year.



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

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Senator \_\_\_\_\_

FOR THE COMMITTEE