

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 * * * Better Places Program * * *

2 Sec. 5. FINDINGS; INTENT AND PURPOSE

3 (a) The General Assembly finds:

4 (1) The COVID-19 pandemic has devastated our economy through
5 business closures and job losses, and physical distancing requirements have
6 exacerbated social isolation and impacted Vermonters’ quality of life and sense
7 of community.

8 (2) Public spaces are essential for supporting economic activity and
9 health and well-being throughout the pandemic and for building engaged,
10 equitable, and resilient communities in the future.

11 (3) Vermont’s downtowns and villages increasingly depend on inviting
12 public spaces that are robustly programmed to restore our distinct sense of
13 place; strengthen community pride and identity; and attract businesses, jobs,
14 and talent.

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

19 (5) Research shows that community-driven placemaking projects
20 increase economic and civic vitality and create spaces where commerce
21 thrives, social connections flourish, civic participation increases, and residents

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.

*** New Relocating and Remote Employees ***

Sec. 18. INTENT AND PURPOSE

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

- (1) expand the Vermont workforce;
- (2) attract new residents to the State; and
- (3) provide support to employers who are unable to fill positions from among candidates who are already located in this State, whether due to very low unemployment rate or due to a disconnect between job requirements and candidate qualifications.

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

CHAPTER 1. ECONOMIC DEVELOPMENT

§ 4. NEW RELOCATING AND REMOTE EMPLOYEES; INCENTIVES

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

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

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

1 (2) The Agency may award an enhanced grant, which shall not exceed
2 \$7,500.00, for a 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.

1 (b) The Department may use not more than eight percent of the amounts
2 appropriations in this section to administer the grants and activities described
3 above.

4 (c) The Department shall expend the funds available in this section to
5 promote new apprenticeship opportunities, rather than supplanting funding for
6 existing employer-funded opportunities, and shall:

7 (1) prioritize funding for vocations that otherwise lack, or are unlikely to
8 provide sufficient, sources of funding for apprenticeships;

9 (2) prioritize apprenticeship enrollment in building or trades programs;

10 (3) consider other sources of funds for apprenticeships specifically
11 available to certain vocations;

12 (4) consider where apprenticeship training can leverage other funds; and

13 (5) prioritize readily expandable building trade apprenticeships.

14 * * * Effective Dates * * *

15 Sec. 25. EFFECTIVE DATES

16 (a) This section and Sec. 20 shall take effect on passage.

17 (b) The remaining sections shall take effect on July 1, 2021.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE