

H. 159 – Proposed changes by Senate, v9.1 on their committee page
Review by House Commerce

Section 1: Tourism and Marketing

House proposed \$2,500,000 for general marketing.

Senate proposed amended amount of \$2,000,000:

\$1,250,000 for general marketing

\$750,000 for regional stimulus projects

House Commerce concurs with lower dollar amount of \$2,000,000 but different allocation:

\$1,500,000 for general marketing

\$500,000 for regional stimulus projects

Section 2: Technology Based Economic Development

House proposed \$2.2 million for the UVM Office of Engagement for general support and to fund \$800,000 for specific grants for SBIR.

Senate proposed amended amount of \$2,800,000:

\$800,000 in grants administered by ACCD

\$1 million to UVM Office of Engagement for general support.

\$1 million to UVM in G.300 in “matching funds for research grant opportunities.”

Limited service position requested by ACCD to help administer grant program and other initiatives included in budget.

House commerce met with ACCD and UVM Office of Engagement. The Committee felt that the Senate proposal of amendment was closer to the original recommendation by Commerce, that ACCD has a focus on businesses within Vermont that need assistance with SBIR grants and research projects and will help businesses find the best source of technical assistance, including UVM. UVM is well staffed to provide grant writing and has excellent resources already, and is committed to expanding its reach in Vermont, but also caters to many companies outside Vermont. We felt a hybrid approach, as proposed by the Senate, supports both strategies and recommend concurrence.

Sections 3 and 4: Postsecondary Career and Technology Education System – Study

House proposed \$75,000 for the study of the alignment of adult CTE programs with the DOL, AOE and Vermont State College System. Charged DOL with doing the study.

Senate proposed a change of due dates in the report, kept the appropriation the same.

Based on testimony, House Commerce may recommend moving the oversight of the report to AOE and include Adult Literacy Education programs.

Section 5: Group Insurance: Northern Borders Regional Commission

House proposed to add NBRC to list of organizations who can buy group health insurance through the State of Vermont.

Senate deleted this section of the bill.

House Commerce has not taken a position on this as of yet. There is no appropriation attached.

Sections 6-7a: Better Places Program

House proposed \$5 million in ARPA funds to stand up the Better Places Program “to help communities utilize crowdfunding to spark community revitalization through collaborative grantmaking for projects that create, activate, or revitalize public spaces.”

Senate proposed lower amount of \$1 million, changed the matching criteria, maximum grant amount and set a sunset for the program at 2 years from date of inception.

House Commerce took testimony from DHCD regarding complications of ARPA funds as new guidance suggests that any projects have to comply with federal guidelines for infrastructure improvements and many towns cannot handle compliance activities. DCHD recommends use of General Funds to create more freedom with use of funds.

House Commerce supports \$5 million in funds for this worthy endeavor.

Sections 8-9: International Business Attraction and Investment Program

House proposed \$300,000 in General Funds to stand up this 2 year initiative to attract Canadian companies looking to establish operations in the US.

Senate proposal agrees.

Section 10: Workforce Development and Education

House proposed \$20,500,000 in a variety of programs to be delivered by the Vermont State Colleges.

Senate proposal moves all money for the programs into the budget.

Section 11: Microbusiness Development Program

House proposed \$2,200,000 to go to DCF to be granted to the Community Action Agencies for the Microbusiness Development Program:

- \$200,000 increase in base funding to increase capacity of agencies to advise microbusinesses
- \$2,000,000 in EMBRACE grants to microbusinesses.

Senate proposes to amend amount to \$1,700,000, with a reduction of \$500,000 in EMBRACE grants.

House Commerce proposes to restore grants to \$2,000,000 and maintain \$200,000 increase in base funding.

Section 12: State BIPOC Business Development

House proposed \$100,000 in ARPA funds to go to ACCD to regrant in a contract following an RFP to convene stakeholders to establish an organization to represent common interests of the BIPOC business community.

Senate proposes to increase the amount to \$150,000 to allow for up to two contracts to be awarded, recognizing the diversity of interests and geography within the BIPOC business community.

House Commerce Concur.

Section 13: Entrepreneurs Seed Capital Fund

House proposed \$900,000 in GF to recapitalize the Seed Capital Fund managed by VCET.

Senate proposes to concur on the allocation with some minor wording changes.

NEW SECTIONS IN SENATE PROPOSAL OF AMENDMENT:

Sections 18-21: New Relocating and Remote Employees (Also S. 62)

\$1,000,000 to fund relocation related expenses in grants up to \$5,000 - \$7,500 in a low to moderate income LMA –

House Commerce is proposing that \$500,000 be allocated to New Relocating Employees (New Workers) AND to allocate \$400,000 to workforce development programs at Adult Career and Technical Education Centers:

- \$150,000 to VSAC for tuition assistance for adults enrolled in adult education classes at CTE centers.
- \$150,000 to Agency of Education for the Vermont Adult Career and Technical Education Association (VACTEA) to purchase equipment for CTE programs needed to replace existing equipment and provide resources for new programs.
- \$100,000 to AOE, working in conjunction with VACTEA for curriculum development.

Sections 22: Capital Projects Grants

\$11,000,000 to ACCD to stand up grants to fund capital projects deemed to be transformational for regions of the state.

House Commerce supports the concept of these grants, but suggests that the amount reflect the number of counties in the state at \$14,000,000. We recognize that ARPA guidance may restrict how these moneys can be used.

Section 23: Economic Recovery Grants

\$20,000,000 to ACCD for business grants

House Commerce took testimony from ACCD and many business interest groups who all expressed that there remained unmet need and many businesses faced permanent closure if they did not receive any. There is no empirical determination of the amount of need or the number of businesses so affected. The only data points are the volume of PPP loans many businesses who are struggling from the pandemic and unable to meet their needs.

Section 24: Apprenticeships

\$2,000,000 to DOL to create, market and fund new apprenticeship programs.

House Commerce met with DOL. The responded that as much as they want to expand the number of apprenticeships, they did not believe that they would be able to spend the full amount of \$2 million for a number of reasons – available applicants, participating employers, internal supports. They would support a lower dollar amount in this area.

H. 439 Additions or Changes:

G. 300: VYCC Youth Employment, \$1,850,000.

The Senate took no testimony on this collaboration of four non-profits (Vermont Youth Conservation Corps, Vermont Works for Women, ReSource, Audobon Vermont) to provide the Serve, Learn, Earn program. This is a new program that will provide “paid service and learning opportunities” to 418 young adults. This has been in the work for 6+ months and has \$3 million in other funding. They provided us with no breakdown of their expenses (wages to participants, administrative overhead, marketing, wages to instructors, etc...). We heard from Breck Knauff at VYCC. The committee supports the program but felt it was very late in the legislative process to consider such a large expense without much testimony.

VSAC-Advancement 2 yr. \$1,000,000, one year less.

Took testimony from Marilyn Cargill at VSAC. They are fine with the changes in the bill. House Commerce concurs with Senate’s proposal.

VSAC – Aspiration 2yr. \$600,000, one year less.

Same as above.

VSAC – 802Opportunity 2 yr., \$3.8 million, one year less.

Free classes at CCV for Vermont high school graduates. House Commerce concurs.

VSAC – Advance Vermont \$350,000

House Commerce did not support this request previously and feels that the services provided are duplicative of other services provided by AOE and DOL, though they are not exact comparisons.

Vermont State Colleges:

G. 302: Working Community Challenge \$1.9 million

8 Vermont communities or regions received planning grants from this Federal Reserve Bank program to “bolster economic equality and workforce development” and 4 (Springfield, Greater Barre, Lamoille County, Winooski) received 3 year funding for a total of \$1.9 million. The remaining 4 (White River Valley, Northeast Kingdom, Northwest Vermont, Southern Vermont) did not receive grants but have

viable projects that are ready to launch. **Estimates of those projects total \$2.3 million. House Commerce supports funding the four remaining projects.**

G.400: RPC Capacity and Bylaw Updates, \$1,500,000 appropriation \$650,000 increase.

The 12 RPCs will be involved implementing a number of new initiatives, including new zoning and bylaw regulations, brownfield reclamation, capital projects, etc. House Commerce concurs.