



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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MEMORANDUM

To: Representative Diane Lanpher, Chair, House Committee on Appropriations

From: Representative Michael Marcotte, Chair, House Committee on Commerce and Economic Development

Date: January 26, 2023

Subject: House Commerce recommendations on Governor's proposed FY23 BAA

The House Committee on Commerce and Economic Development appreciates the opportunity to review and provide recommendations on the provisions of the Governor's proposed fiscal year 2023 budget adjustment act that fall under the policy jurisdiction of this Committee. In response to your request, the Committee reviewed the Governor's proposals and ranked each based on priority. In some cases, the Committee also proposed revised language or provided additional comments on a funding proposal or associated program, and the Committee proposed one additional new section. The Committee did not weigh in on a few technical proposals.

On a straw vote of 11-0, the Committee respectfully submits the following:

Sec. 1, 2022 Acts and Resolves No. 185, Sec. B.1100(a)(24); Rural Infrastructure Assistance Program (\$3,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority. The Committee does, however, recommend changes to the Program as proposed in Sec. 7 of the BAA and has provided revised language for that section below.

Sec. 1, 2022 Acts and Resolves No. 185, Sec. B.1100(a)(28); State match for NTIA broadband grant (Middle Mile) (\$30,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority.

Sec. 1, 2022 Acts and Resolves No. 185, Sec. B.1100(a)(29); Employment Supports for New Americans (\$350,000) – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority. The Committee does, however, recommend changes to the Program as proposed in Sec. 10 of the BAA and has provided revised language for that section below.

Sec. 1, 2022 Acts and Resolves No. 185, Sec. B.1100(a)(32); Vermont Housing Improvement Program (VHIP) (\$5,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority.

Sec. 7, 2022 Acts and Resolves No. 185, Sec. E.100.4; Rural Infrastructure Assistance Program language; revised language – High Priority

The Committee supports and ranks this Program as a high priority. Members of the Committee will continue to work with members of the Senate and the administration to refine the Program language to ensure it is complete and acceptable to all parties prior to final passage of the Budget Adjustment Act.

Sec. 10, 2022 Acts and Resolves No. 185, Sec. E.300.2; Employment Supports for New Americans language; revised language – High Priority

The Committee supports and ranks as a high priority this revised language (**highlighted below**), which was developed in collaboration with members of the Administration:

Sec. E.300.2 EMPLOYMENT SUPPORTS FOR NEW AMERICANS

(a) The State Refugee Office, in consultation with the Vermont Department of Labor, shall administer a grant program to support the development of coordinated, community-based systems, with consideration of regional networks and resources, to assist in achieving economic self-sufficiency for New Americans, including refugees, humanitarian parolees, special immigrant visa holders, asylees, asylum-seekers, and **others who are pursuing a path to citizenship other immigrants with low income who are or intend to become residents of Vermont.**

(b) Grant funds may be allocated to:

(1) assess the current ability of a municipality or region supporting the resettlement of New Americans, **with a focus on Brattleboro, Bennington, Chittenden and Rutland**, including the availability of English language services, transportation, housing, employment supports, and economic and health services;

(2) provide employment and related support services for refugees, asylum seekers, and other New Americans, including technical support, employment training before or

during employment, English language learning, employment-related case management, job placement, transportation, and other related services; and

(3) provide staff support for the coordination of local and State resources to secure partnerships with organizations employing refugees, development of sustainable New American support systems for regions in which New Americans are being settled, creation of employer partnerships to serve multiple refugees, identification of cultural barriers for individuals or groups of refugees, and facilitation with necessary stakeholders to remove barriers and prepare for successful employment.

Sec. 16, 2022 Acts and Resolves No. 185, Sec. G.300(c)(2); brownfields grant program; revised language – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority, with one important modification. The Committee recommends increasing the amount that regional planning commissions may use for administrative purposes from five percent to **10 percent**.

Sec. 23, 2022 Acts and Resolves No. 83, Sec. 72; workforce recruitment and retention grants for health care and human services employees – High Priority

The Committee supports this proposal and ranks it as a high priority. In addition, the Committee recommends allowing the Agency of Human Services to award any funds remaining from the \$400,000 appropriated to the Agency in 2022 Acts and Resolves No. 183, Sec. 21 to other health care employers for nurse preceptor incentive grants after the critical access hospitals have been offered the opportunity to participate in the grant program. The Committee proposes the following language:

Sec. ____. 2022 Acts and Resolves No. 183, Sec. 21 is amended to read:

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS;

WORKING GROUP; REPORT

(a)(1) In fiscal year 2023, the amount of \$400,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide incentive grants to nurses employed by critical access hospitals in Vermont for serving as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to critical

access hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of \$5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Agency shall prioritize funding for hospitals that provide matching funds for additional preceptor compensation or that commit to providing future compensation and support to expanding the number of preceptors. If funding is not fully obligated after offering an initial grant opportunity to critical access hospitals, the Agency may open the grant opportunity to other health care employers, including non-critical access hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital or other health care employer under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the hospital or other health care employer for the nurse preceptors shall be subject to impact bargaining between the hospital or other health care employer and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

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Sec. 28, 2022 Acts and Resolves No. 183, Sec. 47(d)(3); Vermont Economic Development Authority short-term forgivable loan language – High Priority

The Committee supports the proposal to amend the language in Sec. 47(d)(3) and ranks the Program as a high priority. The Committee also recommends that this amendment to

subdivision (d)(3) apply retroactively to July 1, 2022. Therefore, the Effective Dates section of the Budget Adjustment Act should include the following provision:

Notwithstanding 1 V.S.A. § 214, Sec. 28 of this act (amending 2022 Acts and Resolves No. 183, Sec. 47(d)(3)), shall take effect July 1, 2022 and apply retroactively to applications received on or after that date.

Sec. 30, 2022 Acts and Resolves No. 183, Sec. 54; Downtown and Village Center Tax Credit Program – High Priority

The Committee supports the proposal as it is a technical correction and ranks the Program as a high priority.

New section; Agency of Commerce and Community Development; Build to Scale (\$350,000) – High Priority

The Committee recommends appropriating \$350,000 to the Agency of Commerce and Community Development to provide a portion of the state match to allow the Northeastern Vermont Development Association and its partner, Do North Coworking, to apply for the 2023 Build to Scale Venture Challenge through the U.S. Economic Development Administration. If the application is successful, the funds would provide a capacity building opportunity to support the creation of scalable technology startups and high-paying technology jobs in the Northeast Kingdom. Due to the timing of the application deadline, which is likely to be in early April this year as it was in 2022, the \$350,000 appropriation cannot wait for the fiscal year 2024 budget bill and must be addressed in the fiscal year 2023 budget adjustment act. A similar provision was included in Sec. 46(a)(33) of last year's budget adjustment act to support similar applications from Rutland and Springfield/Randolph. The Committee ranks this proposal as a high priority and proposes the following language:

Sec. ____ AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT;

BUILD TO SCALE

(a) The sum of \$350,000 is appropriated to the Agency of Commerce and Community Development in fiscal year 2023 to provide state match for the Build to Scale proposal to be submitted to the U.S. Economic Development Administration for federal funding.

As noted, due to the timing of the U.S. Economic Development Association process, this is the second request in as many years for an appropriation to be made in the Budget Adjustment Act to support applicants participating in the Build to Scale Venture Challenge. To better accommodate requests of this kind, in which opportunities and funding needs arise after the end of one budget cycle and before completion of the next budget cycle, the Committee would like to work with the House Committee on Appropriations on a proposal to create a reserve fund for such time-sensitive situations.