

House Committee on Commerce and Economic Development
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I HAVE 4 SPECIFIC FUNDING REQUESTS TO DISCUSS, THEN I'LL VERY BRIEFLY MENTION SOME OTHERS WE SUPPORT

BUDGET REQUESTS

RDC Funding:

- Governor's budget request includes a \$200,000 increase in the base ACCD budget for the RDC annual performance grants
- Increases the RDC grants by about \$13,000 per year, from \$108,000
- RDCs are facing increased costs, rising wages and benefit costs, and expanded service requests
- The base state performance grant to RDCs has not increased in over 12 years

Examples of how the RDCs will use the increase include:

- Covering increased costs and overhead
- Increasing the impact of the activities required under the State grant, such as additional business visits and outreach to a broader range of businesses
- Additional workforce development activities, programs, and events
- Increased technical assistance to small businesses, such as grant research, writing, and administration
- Addition of economic development forums, collaboration, and coordination, with regional partners, including municipalities, chambers, downtown organizations and RPCs
- Combine with other funds to increase staff or increase hours for existing staff

Vermont Training Program:

- VTP is the only employee training program that assists employers with training new and incumbent employees
- Critical program to help Vermont businesses upskill employees to make the business more competitive, add new lines of business, and modernize
- Employees earn more where they are, have greater opportunities for advancement, or can take the new skills wherever they go

Regional Investment and Growth Fund

- Governor's budget request includes \$10m to establish a Regional Investment and Growth Fund.
- DED and RDCs have noted about 35 instances over the past year of potentially lost opportunities for start-up, domestic expansion, or non-domestic recruitment and a net need for over 1 million square feet of industrial space for projects
- In many regions, the facilities that are available are:
 - privately owned and controlled, and some are over-priced by the owner, leaving them unused
 - In need of work to make them available
 - Not suitable for the expansion or recruitment at hand
- Some regions have privately-owned or municipally-owned **parcels** that could be appropriate for green building, but:
 - The parcels have no infrastructure
 - The parcels are not pre-permitted
 - The parcels/facilities are brownfields and need remediation
- Companies need to move fast and cannot wait the 2-3 years it takes to permit and build required public and/or private infrastructure
- Need a flexible fund that can be used to prepare existing buildings or pre-develop/pre-permit parcels, thereby substantially shortening the time needed to have a facility/parcel available for a start-up, an expansion or recruitment.
- Or, have the ability to build on spec to have some facilities ready to take advantage of growth and recruitment opportunities.
- The flexibility should extend to:
 - the parties that can be involved – such as RDCs, property-owners, etc. – and allow for private, public partnerships
 - The allowed use of funds, to include pre-development, pre-permitting, redevelopment of existing facilities, and development of new facilities

AND FINALLY, THE Rural Business Technical Assistance Exchange

- Utilizing CARES Act and ARPA funding, the RDCs developed, stood up, and administered a technical assistance program for very small and small businesses requiring some technical assistance to recover and pivot after COVID.
- This award winning, very successful program assisted over 800 Vermont small businesses- either as clients or technical assistance providers.
- Another outcome is the creation of a robust inventory of Vermont technical assistance providers who have demonstrated the ability and expertise to assist small businesses with critical tools to grow and adapt their businesses.
 - Includes professionals such as attorneys, CPAs, architects, engineers, and other professional services and highly qualified providers in information technology, digital strategies, business operations, financial management, hospitality, marketing, photography, video production and grant writing.
- RDCs are seeking funding to continue this program and to focus on rural businesses and businesses owned by historically underserved populations.
- No request in Governor's budget

MENTION: Other Funding:

- RDCs also support the following budget requests:
 - \$800,000 for the downtown organizations, one of our important regional partners
 - Additional funding for the new/relocating worker program (\$4m)
 - Additional funding for workforce development
 - \$3 million to UVM's **Upskill Vermont**, which provides free educational opportunities for professional development.
 - \$1 million to VSAC for **trade scholarships** to help build Vermont's workforce in the trades.
 - \$1 million to the Vermont Department of Labor to provide **work-based internships** and boost the labor force participation rate.
 - Additional funding for Housing
 - \$10m for Missing Middle rental housing
 - \$15m for VHIP
 - \$500k for bylaw modernization