



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: March 1, 2024

Subject: House Commerce recommendations on the FY25 budget

The House Committee on Commerce and Economic Development thanks the House Committee on Appropriations for the opportunity to comment on provisions of Governor's proposed fiscal year 2025 budget. In response to your request, the Committee reviewed the proposals and have provided feedback below.

The Committee respectfully submits the following:

- **B.1100 (a)(9)(B)**
 - VSCS: CCV Vermont Tuition Advantage
 - Request: \$5,000,000 (Governor recommends \$1,000,000)
 - This Committee is supportive of the program and supportive of an increase in funding. Any increase is extremely helpful, but more than \$1,000,000 would be recommended. We note that the program was oversubscribed due to its popularity. We also suggest the program be continually evaluated to determine whether it be included in their base funding.
 - **We support the request for up to \$5,000,000 if funds are available.**
 - **Priority: High (9-0-2 straw vote)**

- **B.1100 (a)(11)(A)**
 - ACCD DED: Capital Investment Loan Pilot Program as referenced in H.708
 - Request: \$350,000
 - We do not support the request of \$350,000 to be used on the loan program
 - **Alternately, the Committee recommends that \$150,000 be appropriated to the Vermont Arts Council to implement the Vermont Film and Media Database and \$200,000 to the ACCD for a grant to support the Vermont Professionals of Color community technical assistance program.** If another \$50,000 becomes available,

we recommend it also go to the ACCD in support of the Vermont Professionals of Color community technical assistance program, matching their request.

- **Priority of Alternate Committee Recommendation: High (9-0-2 straw vote)**

- **B.1100 (a)(11)(B)**
 - ACCD/DED: International Business Office
 - **We support the request for \$150,000.**
 - Two years ago, we appropriated \$300,000 to DED to contract with a vendor in Montreal to provide leads for Canadian companies looking to expand their presence to Vermont. Because of this appropriation, five Canadian companies are in the final stages of site selection or negotiation of purchase to expand their presence to Vermont. Two Canadian companies have already completed expansion.
 - **Priority: High (8-1-2)**

- **D.100 (a)(2)**
 - Vermont Housing and Conservation Board
 - **We recommend, if possible, that the statutory property transfer tax formula be followed.** We continue to hear testimony that lack of housing is impacting a robust workforce.

- **D.100 (a)(3)(A)**
 - Regional Planning Commissions (RPCs)
 - We have supported increases to RPCS the last few years. However, due to the increased frequency of climate-related disasters and recognizing that the RPCS are best situated to assist municipalities, **we recommend, if possible, that the statutory property transfer tax formula be followed and be used to expand emergency and climate resiliency planning capacity.**

- **D.100 (a)(3)(B)**
 - MTAP program
 - In order to fulfill the original intent of the program, and for communities to be able to access all of the available State and federal funds, **we recommend that the MTAP language in Act 3 of 2023 should be amended as referenced in Appendix A attached to the end of this letter.**
 - **8-0-3 (straw vote)**

- **B.808**
 - Vermont Arts Council
 - Request: \$968,940.00 (\$45,092.00 over Governor's recommendation)
 - **We support the request from the Vermont Arts Council of \$45,092.00 over the Governor's recommended amount based on testimony from the Vermont Arts Council that it is**

anticipated that the matching grant from the National Endowment of the Arts will be level funded.

- **Priority: High (9-0-2 straw vote)**

- Vermont Humanities Council
 - Request: \$300,000.00 (one-time request)
 - **Should funds become available, we support up to an additional \$300,000.00 in one-time funding** to provide a match in federal support for climate crises, resilience, and adaptation planning. We learned from testimony by the Vermont Humanities Council that they can raise private funds as well, and that should be taken into consideration.
 - **Priority: High (9-0-2 straw vote)**

- ACCD/ANR/DED (for Brownfields)
 - Request: \$5,000,000.00
 - Funds should be used for the assessment, remediation, and redevelopment of brownfield sites to be used in the same manner as the Brownfields Revitalization Fund established by 10 V.S.A. § 6654 except, notwithstanding the grant limitations in 10 V.S.A. § 6654, projects supported by this appropriation shall not be limited to a maximum amount per site.
 - **Should funds become available, we support up to the full request for this work.**
 - **Priority: Medium (9-0-2 straw vote)**

- ACCD/RDCs (Small Business Technical Assistance Exchange)
 - Request: \$1,250,000.00
 - We have received testimony about the past success of this program and recognize the ongoing importance of supporting small businesses.
 - **Should funds become available, we support an appropriation of up to \$1,250,000.00.**
 - **Priority: Medium (9-0-2 straw vote)**

- ACCD/Serve, Learn, and Earn
 - Request: \$2,370,000.00
 - When this program started three years ago, we supported at \$1.85 million. The next year we supported at \$1.8 million. Last year we supported at \$2.3 million. We learned in testimony that over 1,300 youth and young adults received training under these programs with 550 receiving credentials of value. Serve, Learn, and Earn's partnerships with long-term recovery groups have facilitated home remediation in the aftermath of 2023 flooding events. Whenever possible, we support that this annual one-time request be placed into the base budget. Currently, the grant funds flow through the Department of Forest, Parks, and Recreation. The House Committee on Commerce and Economic Development will consider whether these funds should flow through another department more closely aligned with the program.
 - **We support the mission of this program and, should funds become available, support the request of up to \$2,370,000.**

- **Priority: High (9-0-2 straw vote)**
- CVOEO/VCAP/EMBRACE (Micro-Business Development Program)
 - Request: Increase of \$157,869.00
 - The Committee would like a more comprehensive breakdown of each agency's performance in order to properly evaluate the appropriate level of funding.
 - **We support the Governor's recommended amount of \$493,339.00.** Should funds become available, we would recommend that, instead of a 10% increase in salary as requested, the increase should instead be matched to the final pay act salary increase rate in the FY25 budget. We also recommend that the new FTE's salary reflect the FY24 salary plus the final pay act salary increase rate in the FY25 budget.
 - **Priority of Alternate Committee Recommendation: High (9-0-2 straw vote)**
- Better Places
 - **We support the removal of the Better Places sunset provision as set forth in H.687.**
- UVM (Workforce Upskill)
 - Request: \$1,500,000.00
 - While the Committee recognizes that the workforce upskill program has value, we would like to see employer contribution in the program to extend its reach. We would like to continue to discuss ways to improve the program to ensure that individuals who are low income, unemployed, or underemployed are able to access the program and gain the essential skills necessary to fill critical occupations in Vermont.
 - **The Committee does not take a position on this request**
- UVM/VSAC Green Mountain Jobs Retention Program
 - Request: \$1,250,000.00
 - The Committee appreciates that this program, although funded through UVM and VSAC, is available to all graduates of four-year Vermont colleges and universities. The program requires participants to accept a qualifying job in their field of study and remain in Vermont for two years post college graduation. We note that participation in the program continues to grow, and businesses are beginning to provide matches and are using this program as a recruitment tool. Because this is a two-year program, additional funding would continue the program for another two years.
 - **We fully support this program at the full amount requested.**
 - **Priority: Highest priority (9-0-2 straw vote)**
- Humanitarian Parolees/New Refugees Transitional Housing
 - Request: \$327,700.00
 - As recommended in our BAA letter to the House Committee on Appropriations in January, the Committee sees this request as directly affecting workforce and economic development and **strongly**

recommends that the House Committee on Appropriations fund the requested \$327,700.

- **Priority: High (9-0-2 straw vote)**
- **B.809** (VSO)
 - The Committee supports the Governor's recommended amount of \$149,680.00
- Adult Education
 - Request: That the funding reflect the statutory formula, which would provide an additional \$1,000,000 in base funding over the Governor's recommendation.
 - The Committee supports the recommendations in the Adult Education and Literacy Student Access Committee report. However, the Governor's recommendation does not provide the necessary funding. In order to accomplish the changes specified in the report, **we recommend that the House Committee on Appropriations considers funding pursuant to the statutory formula.**
- Advance Vermont/My Future VT
 - Request: \$150,000
 - **The Committee supports this request** and understands that this tool is being widely used by students, parents, and school counselors. The Committee believes that this funding should be supported within the Department of Labor's budget until the joblink modernization program is complete.
 - **Priority: High (8-1-2)**

Appendix A

Sec. 95. MUNICIPAL TECHNICAL ASSISTANCE TO ACCESS STATE AND FEDERAL FUNDING

(a) Expanding municipal access to State and federal funding. The Agency of Administration, consistent with the provisions of this section, shall design and implement a process to provide expanded technical and administrative assistance to municipalities with high need that may be eligible for State or federal funding for the following activities:

(1) Community needs assessment. Conducting a review of community assets and needs, strategic planning, and identifying potential eligible projects, including in the following categories:

- (A) water supply and wastewater infrastructure;
- (B) housing;
- (C) community recovery, workforce development, and business support;
- (D) climate change mitigation and resilience; ~~and~~

(E) a municipal project that is capital in nature, or an activity that is a precursor or requirement to taking on a capital project; and

(F) other community economic development projects identified by a municipality and approved by the Agency of Administration.

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