



STATE OF VERMONT
HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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MEMORANDUM

To: Representative Robin Scheu, Chair, House Committee on Appropriations

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

Date: February 25, 2026

Subject: House Commerce recommendations on the FY27 budget

The House Committee on Commerce and Economic Development thanks the House Committee on Appropriations for the opportunity to submit recommendations for the fiscal year 2027 budget. Unless otherwise noted, the Committee voted unanimously on each recommendation below.

The Committee respectfully submits the following:

Agency of Commerce and Community Development

- **Department of Housing and Community Development**
 - VHIP program - \$4,000,000 (base funding)
 - **The Committee supports this request**
 - Priority: High
 - Vermont Housing Finance Agency Down Payment Assistance Fund - \$350,000
 - **The Committee supports this request** to sell \$350,000 of five-year state homeownership tax credits for Fiscal Years 2027 through 2031 to support VHFA's Down Payment Assistance program.
 - Priority: High
 - Mobile Home Improvement Repair Fund- \$800,000 (one-time funding)
 - **This Committee supports this request**
 - Priority: High

- **Department of Economic Development**

- The Vermont Professionals of Color Network - \$200,000
 - **This Committee supports this request**
 - This Committee also supports utilizing reversion dollars from the Department of Labor for this request
 - Priority: High
- The Brownfields Revitalization Fund
 - **This Committee supports any additional dollars that may be available to go to this Fund**
 - Priority: High
- International Business Office - \$150,000
 - **This Committee supports** the Governor's recommendation of \$150,000 for the Montreal trade office
 - **This Committee also supports** utilizing reversion dollars from the Department of Labor in the amount of \$75,000 to establish another office in southeast Asia
 - Priority: High

Department of Labor

- Governor recommends a 3% increase in base funding for the Department
- **The Committee supports** the Governor's recommendation of a 3% increase in base funding
- **Reversion recommendation:** The Department of Labor has several balances of one-time State appropriations that are being reverted to the General Fund. In this letter, the Committee has made suggestions of where and how those approximately \$1.5 million dollars should be spent.

Department of Financial Regulation

- Governor recommends a 3% increase in base funding for the Department
- **The Committee supports** the Governor's recommendation of a 3% increase in base funding
- For the next fiscal year budget (FY 28), the Committee supports additional funding for IT projects in the Department

Department of Health

- The Area Health Education Centers have three balances reverting to the General Fund
 - \$500,000 for early pipeline program
 - \$50,000 for MD placement
 - \$667,000 for primary care loan repayment
 - **The Committee does not support these reversions**
- Medical Student Incentive Scholarship Program
 - **The Committee supports removing the sunset of this Program which is currently set for July 1, 2027**

Education-related Funding

- University of Vermont
 - Request: Development of a multi-use center (\$15 million allocation from the higher education trust fund)
 - **The Committee supports the purpose of this allocation** but not the source of the funding being the higher education trust fund
 - Request: \$1 million for expanding care in rural communities and for additional cancer research
 - **The Committee suggests that this request be included in the Rural Healthcare Transformation federal funding**
- Vermont State University - supporting the Freedom and Unity Scholarship (\$2,312,548 allocation from the higher education trust fund)
 - **The Committee supports this request**
 - Priority: High
- Vermont Student Assistance Corporation - for dual enrollment and need-based stipend purposes to fund a flat-rate, need-based stipend or voucher program for financially disadvantaged students enrolled in a dual enrollment course (\$41,225 from the Education Fund and \$41,225 from the General Fund)
 - **The Committee supports this appropriation**
 - Priority: High
- Advance Vermont – to make \$600,000 funding permanent for MyFutureVT and Graduate with a Plan
 - **The Committee supports this request**
 - This Committee also supports utilizing reversion dollars from the Department of Labor for this request
 - Priority: High
- Higher Education Funding (UVM, VSC, VSAC)
 - **The Committee supports** the Governor’s recommended 3% increase to base funding
- Adult Education and Learning - Agency of Administration’s recommendation that funding formula be 85% student count and 15% seat time
 - **The Committee recommends that the funding formula be 85%/15% for the next two years but that starting in 2029 it be 100% student count**

Vermont Community Action Partnership

- Request: Seeking increases in base funding for the MBDP, VITA, and Financial Coaching programs:
 - MBDP: Requesting \$993,335 for FY27 (\$500,000 increase from FY26)
 - VITA: Requesting \$550,000 for FY27 (\$2,000 increase from FY26; \$150,000 increase in base funding)
 - Financial Coaching: Requesting \$670,300 for FY27 (\$500,000 increase from FY26)

- **The Committee supports this request** because these programs contribute a significant economic benefit to the State, are supportive of anti-poverty efforts, and provide a high return on investment.
- Priority: High

Vermont Housing and Conservation Board

- Governor's recommended budget has VHCB funded at \$40.4 million.
 - **The Committee supports** the Governor's recommendation of funding at \$40.4 million
 - Priority: High

Vermont Association of Planning and Development Agencies

- Governor's recommended budget includes a 3% increase in funding consistent with State agencies.
 - **The Committee supports** the Governor's recommendation
 - Priority: High

Serve, Learn, Earn

- Request: Increase the \$500,000 in the base funding to \$1,000,000
 - **The Committee supports** a \$500,000 increase to the base funding
 - The Committee supports utilizing the reversion dollars from the Department of Labor for this request
 - The Committee recommends that the Executive Director of the Office of Workforce Strategy and Development continues working on integrating this program and the other various career and technical programs in the State under one umbrella for better management.
 - Priority: High

Vermont Arts Council

- Governor's recommended budget amount of \$1,033,155 to match federal funds
 - **The Committee supports** the Governor's recommendation
 - Priority: High

Working Lands Coalition

- Request: \$1.5 million in base funding (\$500,000 higher than Governor's recommended amount) and \$3.5 million in one-time funds
 - **The Committee supports** this request if funds are available

Downtown Tax Credits

- Request: An increase of \$3 million to \$6 million total
 - **The Committee continues to support** the \$3 million in tax credits and also supports increasing the credit to \$6 million annually as the program has received more applications than it has been able to approve and the credit has also not been increased in recent years.
 - Priority: High

Vermont Outdoor Recreation Economic Collaborative

- Governor recommending \$500,000 in one-time funding
 - **The Committee supports** the \$500,000 but recommends it be placed into base funding
 - Priority: High

Vermont Outdoor Business Alliance

- Request: \$100,000 in one-time funding for its outdoor entrepreneur program
 - **The Committee supports the request** for \$100,000 in one-time funding
 - This Committee supports utilizing reversion dollars from the Department of Labor for this request
 - Priority: Medium

Northeast Organic Farmers Association

- Request: \$500,000 in one-time funding for crop cash, crop cash plus, and farm share
 - **The Committee supports the request** in that it sees the value in this request in that it benefits both farmers and food insecure Vermonters

Vermont Council on Rural Development

- Request: \$500,000 in one-time funding for technical assistance
 - **The Committee supports the \$500,000 request** that will provide a bridge for regional technical assistance for small, rural communities in Vermont through the Agency for Commerce and Community Development.
 - In the future, the Committee would like the Agency of Commerce and Community Development to provide comprehensive and integrated support and technical assistance for all small towns so they can fully avail themselves of the programs that provide appropriate development in their regions. The Agency should develop a framework in collaboration with current technical assistance providers and this Committee.
 - Priority: High

Common Good Vermont

- Request: \$267,777 in base funding and \$295,665 in one-time funding; both to provide technical assistance
 - **At this time, the Committee will hold its recommendation until it receives the economic development bill from the Senate**