

## Senate Committee on Economic Development, Housing, & General Affairs

Tuesday 1/13

Land use review board update

Bailey Davis (Norwich intern) reported on this last week.

Wednesday 1/14

S. 198 - An act relating to the regulation and taxation of tobacco products and tobacco substitutes

Intro & Walk Through

### **Key aspects of bill**

- Shift towards restricting youth access and unlicensed sales
- Increase penalties for unlicensed sellers while removing penalties for illegal use
- Adjusted tax rates depending on nicotine content
  - 5mg: higher tax stamp
  - <5mg: lower tax stamp
- Increased penalties for unlicensed sellers
  - \$200 → \$2,000 (first offense)
  - \$500 → \$5,000 (second offense)
- Primary goal to disincentive nicotine access and use by youth

# Tourism and Marketing

Heather Pelham, Commissioner, Department of Tourism and Marketing

## **General Stats**

- 16 million visitors last year
- Tourism accounted for 9% of GDP (national avg 3%)
- Over 40,000 jobs in tourism (>10% of workforce)
- Tourists paid nearly \$300 million in taxes in 2024

## **Priorities**

- Increasing visitation as a major source of tax revenue.
- Canadian tourism declines:
  - Credit card spending from Canadians down by ~50%
  - Losses especially impact northern regions
  - Canadian visitation makes up ~5% of visitors

## **Marketing and Advertising Awareness Impact**

- Advertising is effective
  - Exposure to ads increased consideration of Vermont as a destination by 10%
    - >30% if ads are remembered
  - Intent to travel increases ~2% with ad exposure, ~20% if ad is remembered
  - A 2% “brand lift” translates to 400,000 new visitors
- Recorded 44% awareness increase through ads with target market
- People who were exposed to advertising spent more money (no amount given)

## **2025 Winter Campaign Economic Impact**

- Travelers (who would not otherwise have visited)
  - 145,000 trips (3.6% increase)
  - \$2,000 avg spend per trip
  - Estimated \$300 million in economic impact & \$23 million in tax revenue
  - Campaign cost: \$538,000
- ROI
  - 57,400% (total economic impact)
  - 4,300% (tax revenue)

## **Additional Notes**

- Committee suggestion for family pricing discounts
- Waiting to make ask until after budget address
- Question from committee regarding customer satisfaction with specific aspects of visits
  - No clear answer on this

- Current department budget: \$4 million

## Vermont Futures Project

Kevin Chu, Executive Director

### Overview:

- Presented Vermont Competitiveness Dashboard
  - Compares Vermont to other states economies
  - Highlight **issues with population growth and housing permits**
- Sense of urgency for policy and private action
- Chu stated that **data is not destiny, but it may become destiny** if nothing is done

### Housing & Population Comparative Data:

- Correlation between housing permitting and population growth
- Aging population reduces household size, increasing housing demand
  - Not enough housing is being built to support the number of people who already live here

### Composite Indices:

- Composite indices from various sources based on various methodologies
- Vermont ranks very low in nearly all indices *except*:
  - Talent Attraction, **ranked 22nd** (previous rank #3)
    - **Young People want to stay, but lack opportunities**
  - Tax systems for wealth redistribution, **ranked 3rd**

### Committee Discussion:

How can we have the biggest impact?

- Supporting business growth and development
  - Large businesses are shown as most effective way to increasing average wages
  - Increasing opportunities to fill the gap between skilled workers who want to stay and the **lack of opportunities** for them

What do Vermont's growing businesses need?

- Is there a disconnect between the business needs and expressing these needs to the legislature?
  - Can be communication disconnect between business and legislature
  - Suggestion from Chair to invite more businesses into express their needs.

Improving retention?

- Cash payments to college grads who stay in VT
  - 68% of jobs in VT don't require bachelor's degrees
    - Program misses CTE graduates and associate degree pathways
- Improving data driven marketing strategies
  - Target industries where Vermont has the most job openings
  - Targeting talent from states with lower ratio of job openings to job seekers

How are residents with remote jobs based outside VT accounted for?

- No precise data on this
- Remote workers may have long term benefit because:
  - They bring family to Vermont
  - Eventual transition to an in-state job

### **Request from Chu**

- Data availability and transparency is a concern in continuing to do this work
  - Noted AOE discrepancies with data pulled from the same source at different times
  - Advocated for more transparency

### **Additional Notes**

- Vermont is ranked very high in quality of life
- High demand continues to strain housing supply
- Kevin Chu: **“Demand for Vermont is what gives me hope”**

## Chamber of Commerce - Priorities

### **Priorities**

- Tourism
- Workforce & housing
- Export focused manufacturing
  - Manufacturing decline is accelerating.
  - Declines in VT manufacturing over 1 year were greater than projected declines over 10 years.

### **Economic Development Policy Recommendations**

- **Increasing efficiency in business permitting**
  - Current system fragmented and siloed
  - Recommended mapping the permitting process to identify areas for improvement
- Partnering with organizations specializing in permitting efficiency
  - Chamber currently fundraising \$125,000 to hire this organization
- Committee members engaged and interested in the permitting issue

- **Increase marketing for relocation & promotion of already existing tools that address workforce shortages**
  - Working in conjunction with Office of Workforce Development
  - Suggestion from committee to work with Tourism & Marketing
- **Green Mountain Jobs Retention Program -**
  - Cash for grads to stay in VT
  - Chamber requesting this program to be extend beyond bachelors and masters degree recipients to associates degree and professional certificate recipients
  - Asking for \$1.5 million (same as last year)
  - Program will not be used to prioritize or incentivize specific credentials
  - Low public awareness remains an issue
- **Strengthening hospitality and visitor workforce**
  - Increase hospitality workforce training
  - Chair discussed interest in new culinary institute
  - Suggested allocating more financial support to this industry
    - Committee showed limited engement
- **Automation in Vermont**
  - Propose a task force to support automation without workforce displacement
  - Incentives for investment in automation
  - Further propals next session

Thursday 1/15

## S. 173 - An act relating to workers' compensation and the Vermont Labor Relations Board (Intro and Walk Through)

### Major bill components

- Removes mandatory initial screen for injured workers eligible for voational rehabilitation
- Ensures injured workers are informed of their right to seek rehabilitation services

### What is the current problem?

- Current notification system for eligible workers is unclear
- Mandatory screening process is ineffective and inefficient
  - Workers not from using rehab resources face delays to workforce reentry

### Committee Questions

- What is the economic impact of screening delays: unkown
- Number os work related injuries estimated in low thousands
- Further hearings related to this bill to come

## S. 125 - An act relating to collective bargaining

### Update and Walk Through

#### **Bill overview**

- Allow judiciary supervisors to unionize
- Increases threshold to decertify a union from 30% to >50%

#### **Committee Votes**

- Senator Chittenden voted against moving forward with the bill - expressed concern for working on bill which has already been vetoed
- Senator Brock and Senator Weeks also voted against moving the bill forward
- Senator Ram Hinsdale made a case for continuing to support the bill
- Chair Clarkson concluded bill would not precede this session.

## International Trade and Business Recruitment

Tim Tierney, ACCD

#### **Summary of international trade activity/priorities**

- Top issues:
  - Tariffs
  - Especially regarding Canadian trade
- Canadian companies are looking to expand into Vermont to avoid tariffs (no specific examples)
- No concrete numbers or stats on international commerce economic impact
- **Major trends include**
  - Outside interest in expanding operations to Vermont. Especially in border towns.
    - Both domestic and international businesses
- **Discussed State Trade Expansion Program**
  - \$250,000 in federal funding per year to help Vermont companies export
  - Supported 43 companies last year
  - Future funding uncertain
- **Semiconductor manufacturing in Vermont**
  - Recruiting Southeast Asian companies to include Vermont in supply chain
  - Exploring programs to enhance semiconductor manufacturing in Vermont

#### **Other Efforts**

- **Partnering with other countries** that have similarities to Vermont
  - Austria & Iceland were mentioned
    - Not very specific regarding details of partnership
- Involved with multiple organizations that have an interest in increasing trade among New England.

### **Legislative Asks to committee**

- Canadian market representative
- They are receiving \$150-300,000 in state over the next two years (unclear ask)
- Revitalization of infrastructure for business investment attraction
- Focus on the “Vermont Brand” as a selling point for manufacturers

Committee requested a follow up to identify specific barriers that can be addressed by the Committee

## Vermont Economic Development Authority

Joan Goldstein, CEO, VEDA

### **Overview**

- Gave overview of VEDA’s work and recent impact
- Highlighted recent venture capital investments (no return data provided)

### **VEDA’s ask to Committee**

- VEDA to be included as a lender to commercial housing projects
  - Includes 5+ unit homes
  - VEDA will only play a supplemental role in lending for these projects when other lenders are unavailable for these types of commercial development projects
- Committee was responsive but noncommittal

### **Other priorities for VEDA**

- Increase outreach and communication related to VEDA for awareness
- Lending to more VC backed entities
  - Wants to participate more in companies who are in this profile (VC backing stage) to spur small business growth

# Advance Vermont

Tom Cheney, Advance Vermont

## Updates

- Gave background on Advance Vermont - non profit focused on post-secondary readiness
- Mission: **Every Vermonter should graduate with a post-secondary pathway to continued career or education.**

## Priorities

1. Provide all relevant information and tools to career and education seekers
2. Elevate awareness of all education options
3. Align support with public and private partners

## Upcoming Actions

- Be more intentional, purposeful, and consistent with post-secondary planning from the earliest stages of education
- Recognizing changes post-secondary experience and adapting plans to those changes
- Increase available data on post-secondary opportunities and support services
- Increase awareness regarding user engagement and platform impact
- Increasing awareness among adults who lead students toward career planning tools
- Career and education planning framework
  - Planning on developing a toolkit planning guides to be used by schools

## Legislative asks & priorities from Cheney

- Lay foundation to formalize K-12 career navigation through K-12 transformation & CTE reforms
- Continued financial support for Advance Vermont from State
  - \$600k ask, up from \$150,000 last year



