

**Senate Economic Development, Housing, and General Affairs Committee**

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**Advancing Vermont's Economic Competitiveness and Workforce Strength**

The Vermont Chamber's workforce and economic development priorities are designed to support legislative efforts already underway, identify opportunities where targeted statutory changes can deliver outsized impact, and help committees align policy tools with Vermont's long-term economic needs. These priorities are grounded in:

- Findings from the Vermont Business Climate Survey, which consistently identifies workforce availability, housing supply, regulatory complexity, and cost pressures as top constraints on growth
- Comparative analysis from the Vermont Competitiveness Dashboard, which shows Vermont underperforming peer states on workforce growth, housing production, and cost structure
- Direct feedback from employers across manufacturing, tourism and hospitality, construction, professional services, and small business sectors statewide

Together, these inputs point toward a clear conclusion: Vermont's economic challenges are structural, interconnected, and solvable with coordinated policy reform.

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**1. REGULATORY PREDICTABILITY AND STREAMLINED PERMITTING**

**Challenge**

Employers across sectors consistently report that regulatory complexity and permitting uncertainty are among the most significant barriers to investment and expansion in Vermont.

Vermont's regulatory and permitting landscape has grown incrementally and without a complete view of how requirements interact, creating uncertainty for businesses and slowing investment. Manufacturers and visitor economy-related businesses consistently report that overlapping triggers, unclear sequencing, and variable timelines undermine competitiveness. Comparative data from the

Competitiveness Dashboard shows Vermont lagging peer states in project delivery timelines and housing production, reinforcing the need for improved regulatory coordination rather than weakened standards

### **Policy Goal**

Establish transparency, coordination, and navigation support so businesses can comply efficiently, and regulators can operate more consistently.

### **Legislative Actions**

- Direct the Agency of Natural Resources, Public Service Department, Agency of Agriculture, and other relevant bodies to compile a comprehensive inventory of permits and regulatory requirements, including triggers, timelines, interactions, and sequencing and report to the Legislature with recommended statutory refinements.
- Establish one or more permitting ombudsman positions within the Agency of Commerce (independent of enforcement agencies), tasked with:
  - Helping businesses understand the regulatory landscape and identify applicable requirements
  - Supporting navigation of multi-agency processes
  - Coordinating with regulatory agencies to reduce bottlenecks while maintaining environmental, health, and safety standards

### **Expected Outcome**

Improved transparency and predictability, reduced delays, and enhanced investment confidence without compromising protections.

## **2. EFFECTIVE OUTREACH AND COORDINATION FOR WORKFORCE INVESTMENTS**

### **Challenge**

Vermont has made meaningful public investments in workforce retention and recruitment tools, but the Business Climate Survey shows that many employers remain unaware of available programs or find them difficult to access.

Regional and local partners, such as regional development corporations, small business development centers, and chambers of commerce, are in direct contact with employers but lack consistent access to up-to-date workforce program information.

### **Policy Goal**

Ensure existing programs become recruitment and retention tools by improving outreach through trusted business-facing intermediaries.

### **Legislative Actions:**

- Direct Workforce Development Office and partner agencies to develop a coordinated outreach plan that engages:
  - Businesses
  - Regional Development Corporations
  - Small Business Development Centers
  - Chambers of Commerce
  - Other business support organizations
- Direct agencies to provide these partners with clear, current information about program availability, eligibility, and application processes with marketing and branding that will increase participation.
- Require periodic reporting on outreach performance and employer utilization data.

**Expected Outcome:**

Higher employer awareness of workforce resources and better alignment of program delivery with business needs.

### **3. EXPANDED ACCESS TO GREEN MOUNTAIN JOBS PROGRAM**

**Challenge:**

Employer feedback from the Business Climate Survey and data in the Competitiveness Dashboard show persistent workforce shortages across middle skill occupations. While the Green Mountain Jobs Program has been effective in attracting degree holders, its current eligibility excludes many workers pursuing associate degrees, certificates, and other credentials aligned with Vermont's workforce needs.

**Policy Goal:**

Continue critical funding, increase equity across educational attainment, and better aligned with Vermont's workforce needs.

**Legislative Actions:**

- Continue appropriation to the Green Mountain Jobs Program.
- Expand eligibility to include:
  - Associate degrees
  - Industry-recognized credentials
  - Other qualifying post-secondary debt tied to in-demand jobs

**Expected Outcome:**

Expanded program access, improved equity across educational pathways, and enhanced workforce retention and recruitment.

### **4. STRENGTHENING THE HOSPITALITY AND VISITOR ECONOMY WORKFORCE**

**Challenge:**

The Economic Action Plan identifies the visitor economy as a core driver of Vermont's economic vitality and a key source of employment and state revenue, yet hospitality employers continue to face acute workforce shortages. Challenges related to recruitment, retention, seasonality, and limited alignment between training pathways and industry needs constrain growth in one of Vermont's most economically significant sectors.

**Policy Goal:**

Strengthen Vermont's hospitality workforce pipeline and ensure state investments in tourism marketing and workforce development are aligned with the economic value and revenue contribution of the visitor economy.

**Legislative Actions:**

- Strengthen requirements for data-informed alignment between workforce needs and education investments.
- Support formal coordination mechanisms between education providers, workforce agencies, and employers.
- Increase funding for the Vermont Department of Tourism and Marketing to better reflect the scale of state revenue generated by the visitor economy and to support year round, data driven marketing strategies that stabilize demand and employment.

**Expected Outcome:**

A talent pipeline that more effectively prepares Vermonters for jobs in high-demand sectors.

## **5. PRESERVING THE VERMONT EMPLOYMENT GROWTH INCENTIVE FOR LONGTERM INVESTMENT**

**Challenge:**

Long term investment decisions depend on predictability, particularly in a state already facing slower job growth and higher costs than peer states. The Vermont Employment Growth Incentive (VEGI) is a critical tool for attracting and retaining business investment but is constrained by a scheduled sunset.

**Policy Goal:**

Provide long-term certainty for employers making multi-year investment decisions.

**Legislative Actions:**

- Remove the sunset provision on VEGI.
- Maintain its performance-based structure focused on job creation, wage growth, and capital investment.

**Expected Outcome:**

A stable, predictable incentive environment that enhances Vermont's competitiveness relative to peer states.

**6. SUPPORTING AUTOMATION TO PRESERVE JOBS AND INCREASE PRODUCTIVITY****Challenge:**

The Vermont Competitiveness Dashboard shows Vermont lagging peer states in economic momentum, workforce growth, reflecting a constrained and aging labor force. The Economic Action Plan identifies productivity gains as essential to sustaining businesses and preserving jobs in a tight labor market.

Employer feedback indicates that while automation is essential to close workforce gaps and improve competitiveness, access to capital and workforce training remains a significant barrier to adoption.

**Policy Goal:**

Develop a finance-ready automation support program that pairs technology investment with workforce upskilling.

**Legislative Actions:**

- Include legislative intent language for a structured study and program design process that involves:
  - Agency of Commerce and Community Development
  - Office of the State Treasurer
  - Public and private lenders
  - Vermont Manufacturing Extension Center
  - Vermont Chamber of Commerce
  - Workforce and training partners
- Direct the study to evaluate options such as a no-interest loan program linked to worker training.
- Based on results, propose a targeted automation support program in future sessions.

**Expected Outcome:**

Increased productivity and job retention through technology adoption supported by workforce development.

**A Shared Path Forward**

These priorities reflect a pragmatic, coordinated approach to strengthening Vermont's economy, rooted in employer feedback, data-informed decision-making, and a focus on predictable, high-value policy outcomes. The Vermont Chamber stands ready to partner

with legislators to refine and implement solutions that support businesses, workers, and communities across the state