



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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MEMORANDUM

To: Rep. Mary Hooper, Chair, House Committee on Appropriations

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

Date: February 19, 2021

Subject: Review of Governor's Proposed FY 2022 State Budget

On behalf of the Committee on Commerce and Economic Development, I sincerely thank you and the Committee on Appropriations for the opportunity to review the provisions of the Governor's proposed FY 2022 Budget that fall under the policy jurisdiction of this Committee. In response to your request, the Committee reviewed the administration's proposals and ranked each as high, medium high, medium, or low priority. In some cases the Committee also crafted further comments or recommendations concerning the funding proposal or the associated program. The Committee respectfully submits the following concerning the relevant sections:

Sec. B.1100(a)(1) AGENCY OF NATURAL RESOURCES (\$24,000,000)

B.1100(a)(1)(A). Department of Environmental Conservation; Brownfield Remediation; Environmental Clean Up and Related Costs (\$14,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks it as a high priority.

B.1100(a)(1)(B). Department of Forests, Parks, and Recreation; Vermont Outdoor Recreation Economic Collaborative (\$5,000,000) – Medium High Priority

The Committee supports the proposal in the amount specified and ranks it as a medium high priority.

B.1100(a)(1)(C). Agency of Natural Resources; Central Office; Trail Access and Infrastructure (\$5,000,000) – Medium Priority

The Committee supports the proposal in the amount specified and ranks it as a medium priority.

B.1100(a)(4) Department of Labor; Employment and Re-employment Services (\$500,000)

The Committee requires additional information.

B.1100(a)(5). Agency of Commerce and Community Development (\$11,325,000)

B.1100(a)(5)(A). Department of Tourism and Marketing; Supplemental to Rooms and Meals Funding (\$1,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(5)(B). Department of Tourism and Marketing; Buy Local Vermont (\$1,000,000) – Low Priority

The Committee supports the proposal in the amount specified and ranks funding as a low priority.

B.1100(a)(5)(C). Department of Housing and Community Development; Better Places Program (\$5,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(5)(D). Department of Housing and Community Development; Vermont Housing Investment Program (\$3,000,000)

The Committee does not have sufficient information to reach a decision at this time and takes no position on the proposal.

B.1100(a)(5)(E). Department of Economic Development; University of Vermont; Technology-Based Economic Development Program (\$1,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(5)(F). Department of Economic Development; Montreal Office (\$300,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(5)(G). Agency of Commerce and Community Development; Vermont 250th Anniversary Celebration (\$25,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(7). Vermont Student Assistance Corporation; Advancement Grants (\$500,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(9). Agency of Agriculture, Food and Markets; Working Lands (\$3,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1100(a)(10)(C) – Broadband Facilities Deployment Program (\$15,900,000) – Support Funding for Broadband Expansion as High Priority; Awaiting Further Recommendations from Committee of Jurisdiction

The Committee supports broadband funding and expansion as a high priority and recognizes the extreme need for broadband deployment universal broadband service throughout the State. The Committee does not take a position at this time on any specific proposal for broadband deployment. However, we are encouraged by the proposals under consideration by the House Committee on Energy and Technology that include a more expansive policy approach that the proposal within B.1100(a)(10)(C). and awaits We await further deliberation and recommendation by the House Committee on Energy and Technology.

B.1100(a)(12) - Vermont Housing and Conservation Board (\$20,000,000) - Support Funding for Affordable Housing as High Priority; Awaiting Further Recommendations from Committee of Jurisdiction

The Committee recognizes the need for additional affordable housing throughout the State as an important component of workforce development and supports funding for affordable housing development. The Committee does not take a position at this time on any specific proposal for affordable housing development and awaits further deliberation and recommendation by the House Committee on General, Housing and Military Affairs.

The Committee acknowledges that VHCB seeks to modify the use of the funds in the appropriation request, with \$15,000,000 for Affordable Housing and \$5,000,000 for conservation projects and farm and forest viability work. If approved, VHCB intends to use \$100,000 of that \$5,000,000 to increase the annual spend of the Rural Economic Development Initiative (REDI) to \$200,000, as \$100,000 is already in VHCB's base budget. REDI has been very successful in leveraging federal grants for Vermont towns with less than 5,000 residents. The Committee supports the increase in funds for REDI, either through this carve out from these one-time dollars or by an increase in the base budget for VHCB of \$100,000.

B.1100.1 – Department of Housing and Community Development; Downtown Transportation Fund (\$5,000,000) – High Priority

The Committee views this proposal as complementary to the Better Places Program and ongoing efforts to benefit downtowns throughout the State. The Committee supports the proposal in the amount specified as a high priority.

B.1101(a)(2) – Brownfields Revitalization Fund; Agency of Commerce and Community Development (\$11,000,000) –High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

B.1101(a)(3) – Clean Energy Development Fund; Department of Public Service; Affordable Community Clean Energy Program (\$10,000,000) – Medium High

The Committee supports the proposal in the amount specified and ranks funding as a medium high priority.

D.101(a)(4) – Transfer; General Fund to Forest Parks Revolving Fund (\$2,050,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority. The Committee recognizes that this funding is necessary due to a significant COVID-related decline in revenues from ski areas and from visitations to State parks.

E.105(a)(6) – Technology Modernization Special Fund; Department of Labor; VISION System (\$2,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.105(a)(7) – Technology Modernization Special Fund; Department of Labor; UI Modernization (\$3,500,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.105(a)(8) – Technology Modernization Special Fund; Department of Labor; Joblink (\$1,000,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.105(a)(10) – Technology Modernization Special Fund; Agency of Commerce and Community Development; Grant Management (\$1,000,000) – Medium High Priority

The Committee supports the proposal in the amount specified and ranks funding as a medium high priority.

E.130 – Auditor of Accounts; Performance Audits

The Committee supports the proposed language.

E.215 – VSAC; National Guard Tuition Benefit Program (\$1,319,834) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority. The Committee recommends that if the funds are not fully expended, then the unspent funds should be returned to VSAC for use in the Advancement Program.

E.224 – Agency of Agriculture, Food and Markets; Working Lands Enterprise Board (\$594,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.504(a)(3) – Agency of Education; Secondary School Reform Grants – Defer to House Education

The Committee defers to the Committee on Education, the committee of primary jurisdiction.

E.504(a)(4) – Agency of Education; Vermont Academy of Science and Technology – (\$500,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.504(a)(4) – Agency of Education; Early College – (\$2,500,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.600(b) –University of Vermont; EPSCoR – (\$380,326) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.602(b) – Vermont State Colleges; VMEC – (\$427,898) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority.

E.605(b) –VSAC; Student Aspirational Pilot Initiative – (\$300,000) – High Priority

The Committee supports the proposal in the amount specified and ranks funding as a high priority. The Committee would like to see metrics to show long-term cultural change in aspirations after the program ends.

Other Recommendations

Secretary of State; Business Portal (\$100,000) – Medium High Priority

The Committee recommends as a medium-high priority adding \$100,000 in one-time General Fund appropriations to the Secretary of State to continue development of the one-stop business portal.

Department of Children and Families; Office of Economic Opportunity; Matched Savings/Individual Development Accounts (\$170,301); Job Start/Microbusiness Development (\$293,339); Base Funding – High Priority

The Committee supports the proposal for base funding in the amount specified and ranks funding as a high priority. The Committee may consider a recommendation for additional, one-time support for microbusiness development as part of the Committee's forthcoming economic development bill.

Childcare-Related Workforce Development; Loan Forgiveness and Scholarship Program; H.171 (\$2,500,000) – High Priority

The Committee recommends funding in the amount of \$2,500,000 for childcare-related workforce development and ranks funding as a high priority, with the caveat that Committee will be working on specific policy proposals in the context of H.171.

Regional Planning Commissions; Additional Funding Request (\$700,000)

The Regional Planning Commissions have requested a \$700,000 increase to support the additional work they have done and continue to do pursuant to requests from the General Assembly and the Governor. The Committee recognizes the significant work the RPCs have done on behalf of the State over the past several years and recommends that the Committee on Appropriations review the history of appropriations to the RPCs and consider increasing the base budget amount.

Economic Development Policy Proposals; Additional Funding Proposals

The Committee notes that it will soon begin work on a comprehensive economic development bill, which will address economic development and workforce development

policy issues. The bill will likely propose additional recommendations for appropriations or re-allocations of one-time funding. The final proposals in the bill will be determined through the regular committee process but will likely include a combination of proposals from the administration as well as from legislative members, including a proposal to provide technical assistance and other supports to BIPOC-owned businesses and community members.

On behalf of the Committee, thank you again for requesting and considering input from committees of jurisdiction in the appropriations process.