



NVDA
*Northeastern Vermont
Development Association*

EXECUTIVE COMMITTEE MEETING

The Essex House; Island Pond
(Conference Call-in available)

May 26, 2022
6:00 PM

MINUTES

Those attending:

Committee:

Paul Brouha
Joel Cope
Laura Dolgin
Martha Feltus
Grant Spates
Fred Saar
Gina Vigneault

Staff:

Judy Butson (call-in)
Tina Gonyaw
David Snedeker

Guests:

Michael Strait

The Meeting was called to order by President Laura Dolgin at 6:06 PM

Update Agenda

Paul Brouha brought before the committee a suggestion of surveying the Municipal Utilities and VPPSA to see if how they are planning to handle to extra loads to the grid moving forward. NVDA and Allie Webster will work on this suggestion.

Minutes

A motion to accept the minutes of the January 27, 2022 Minutes meeting as presented was made by Martha Feltus and seconded by Gina Vigneault. The motion was approved on a voice vote.

Financials

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The regional planning and development commission serving The Northeast Kingdom: Caledonia, Essex and Orleans Counties
NVDA is an Equal Opportunity lender, provider and employer

The March & April 2022 Unaudited Financial Reports were presented and a motion to approve them subject to audit was made Paul Brouha and seconded by Fred Saar. The motion was approved on a voice vote.

FY2023

Judy presented the FY2023 NVDA draft budget, with explanation indicating that it has been a moving target with all of the new funding opportunities. Currently, there also remains a few unknown around expenses such as fuel pricing and the Gallery building sale. Dave and Judy don't foresee any significant negative impacts to the budget, however.

A motion made to approval sending the draft budget on to the Full Board was made by Fred Saar and seconded by Grant Spates. The motion was approved on a voice vote.

Town Appropriations Increase

David Snedeker discussed increasing the annual Town Appropriations. A municipal dues increase has not happened for six years. These funds are important because they are unobligated and can be used for grant matching funds, while most of NVDA's contractual funds are committed to specific projects.

A motion made to increase the Appropriations \$0.10 in FY2024; \$0.10 FY2026; and, \$0.05 FY2028 was made by Paul Brouha and seconded by Fred Saar. An amended to the motion to increase the percentage cap on the maximum level of dues at the same rate each year was made by Marty Feltus and seconded by Paul Brouha. The motion with amendment was approved on a voice vote.

Director's Update

Attached

Other Business

Legislative Session Summary attached.

Next Full Board Meeting scheduled for June 30, 2022 at the Eastside Restaurant; Newport, VT

With no other business before the committee, a motion was made by Grant Spates and seconded by Fred Saar to adjourn the meeting, carried unanimously. The meeting was adjourned at 7:50 PM.



2021-2022 LEGISLATIVE SUMMARY

Note on Links: As of creation of this document, not all final bill versions were available. The links typically go to the final bill. If not. The link goes to the best document available to explain the bill, such as fiscal notes.

Abbreviations:

ARPA: Federal American Rescue Plan Act funds made available to Vermont and allocated by the General Assembly

GF: General Fund dollars

EF: Education Fund Dollars

Budget Bill (H.740)

The legislature passed a record \$8.3 billion budget for FY23. Here are some highlights:

- **Broadband** – \$95m ARPA Capital Projects Fund
- **Housing** – VHCB \$50m (\$30m ARPA, \$10m GF contingent, and \$10 in base), S.226 Safe & Affordable Housing provides \$20m for ‘missing middle’ and manufactured housing, S.210 provides \$20m VHIP rental unit update program (See details on S.226 below).
- **Community, Workforce, and Economic Development** – \$137.8m, including S.11 (See details below in Business/Economic Development Section)
- **Childcare** - Providers (\$4.9m), Children’s Integrated Services (\$900k), and Parent Child Centers (\$1.5m) base increases
- **Higher Education** - UVM (\$10m) and VSC (\$10m) base increases and VSC (\$14.9m ARPA) transition bridge plan. (See additional details on workforce below)
- **Climate Action Investments** - \$215m including \$80m for weatherization, \$45m for H.518 Municipal Energy Resilience Grant program, \$8m for advanced metering infrastructure and over \$60m for other electrification initiatives
- **Clean Water Investments** - \$104m including \$23m for mobile home and low-income failed onsite water and wastewater, \$50m for municipal water and wastewater initiatives.

Here are some online Budget resources:

- [House Summary H.740 Conference Report](#)
- [COC Budget Summary – \\$ Amounts](#)
- [Senate Summary H.740 Conference Report](#)
- [ARPA Appropriations \(G Secs and other bills\)](#)
- [FY2023 General Fund Onetime Appropriations and Transfers](#)

Status: House passed H. 740 Conference Report on May 12. Bill messaged to Governor and is expected to be signed.

Business/Economic Development

Short-Term Forgivable Loans to Businesses with Remaining COVID losses ([S. 11, Sec.47](#)):

\$19,000,000 (ARPA) to VEDA to create a program offering forgivable loans to Vermont businesses and non-profits with fewer than 500 employees. The applicant must demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the current capacity of the business to weather financial hardships and result in ongoing financial insecurity due to COVID. Maximum loans are lesser of (1) \$350,000.00; (2) six months of eligible operating expenses; or (3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021. Loans can be used to pay for eligible operating expenses, but not for capital expenditures. VEDA will forgive the loan when evidence is submitted showing that the loan was used to pay for eligible operating expenses.

Administered by: [VEDA](#)

Expected Start: July 1, 2022

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Community Recovery and Revitalization Grant program ([S. 11, Sec. 46](#)):

\$40,000,000 (\$10M GF in S.11 and \$30M ARPA in H.740-Budget) to the Agency of Commerce and Community Development to make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations, and support job creation. Projects in regions and communities that have experienced stagnant or declining grand lists will be given preference. To be eligible for the program, applicants must be located within the state and can be for-profit, nonprofit, or municipal entities. The applicant must demonstrate that the project has community and regional support; that grant funding is needed to complete the project; that they are leveraging additional sources of funding from local, State or federal economic development programs; and an ability to manage the project. State and locally government operated businesses, businesses with 20 or more locations, and publicly traded companies are ineligible for grants. Grants cannot exceed the lesser of \$1.0 million or 20 percent of the total project cost. The bill removes the net fiscal impact data model from the program established in Act 74 for the Capital Investment Program and instead requires that the Agency of Commerce and Community Development develop guidelines in coordination with the Joint Fiscal Office and reviewed by the Joint Fiscal Committee. The Agency may also designate one or more sectors for priority consideration in the application process including arts and culture, travel, lodging, tourism, agriculture, and childcare.

Administered by: [ACCD](#)

Expected Start: July 1, 2022

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Creative Economy Grants ([S.11, Sec. 52b\(2\)](#)):

\$9,000,000 (ARPA) to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

Administered by: [Vermont Arts Council](#)

Expected Start: July 1, 2022

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Extension of the Energy Savings Account Program ([S.269](#))

Extends the existing ESA Partnership Pilot program for 18 months, to December 31, 2023, with authority given to the Commission to extend, upon request by participants, the time to spend or contract to spend pilot funds that have accrued through January 1, 2024, until December 31, 2026.

Status: Senate Concurred with House on May 9. Expected to be messaged to and signed by Governor.

Extension of the Vermont Employment Growth Incentive Program Sunset ([S.269, Sec. 4](#))

Everyone forgot that the legislature passes a sunset on the VEGI program effective January 1, 2021.

S. 269 was the vehicle to extend the program and set a new sunset date of January 1, 2024.

Status: Senate Concurred with House on May 9. Expected to be messaged to and signed by Governor.

Changes to VEDA Lending Programs ([H.627, Act 91](#))

Increase the maximum size and expand eligibility for certain loans offered by the Vermont Economic Development Authority.

Status: Enacted into law- Act 91

Regulation of Licensed Small Cannabis Cultivators as Farmers vs Development (S.188)

Exempts “small” cultivators of Cannabis from regulation as “development” and allows regulation in the same manner as farming, if: the cultivation is outdoors, on a parcel of land that was subject to the Required Agricultural practices prior to licensed cultivation, and cultivation occurs for the purposes of permitting under 10 VSA chapter 151.

Status: Passed by House and Senate. Messaged to the Governor and is expected to be signed.

Business/Economic Development – What Did Not Pass:

- **SALT:** A Senate proposal to S.11 that would have saved thousands of pass-through business owners (Partnerships, LLCs, Sole Proprietors) millions of dollars on their federal taxes through a State and Local Tax Cap Workaround.
- **Regional Relocation Network:** \$8.46M ACCD/VDTM three-year [proposal](#) to fund state marketing of Vermont as a place to live and work, combined with grants to build capacity in the regions to support recruitment, relocation, and retention programs at the community level. Would have supported State and regional; efforts to recruit families and individuals to Vermont.
- **Clean Heat Standard:** In what might have been the biggest upset of the session, [H.715](#), legislation that passed the Legislature was vetoed by the Governor, and then the legislature failed to override the veto by one vote. The Bill would have created a system by which fuel dealers in the state would need to switch to other energy sources, sell less fuel, or buy credits to offset their emissions. The battle at the end of the session revolved around the Governor requiring a way for the legislature to sign off on any final version of the program the Public Utilities Commission created over the two years after the bill was signed. The legislature conceded on this point only to have the Governor veto it anyway on the ground the check-back provision was not strong enough. This precipitated the failed veto override.
- **Increase in Funding for Regional Development Corporations:** The RDCs of Vermont, whose State funding has been level for over a decade, requested additional funding. No increase was approved.
- **Direct to Consumer licensing and expansion of off-site permitting for producers of spirits.** (Removed from [H.730](#))
- **Remove airport expansions from Act 250 primary agriculture soils rule ([H.610](#))**

Taxation

Corporate Tax Modernization ([S.53](#))

The legislature picked up [where they left off](#) in the last session on corporate tax modernization, which was in the works ever since the state moved to market-based sourcing in the previous biennium. In the end, S. 53 included:

- Move from “Joyce” to “Finnigan rule
- Repeal of the Throwback Rule
- Repeal of the 80/20 Rule
- Single Sales Factor

Status: Conference Report adopted May 10. Expected to be messaged to and signed by Governor.

Miscellaneous Tax Bill ([H.738](#))

Expansion of Sales Tax Exemption for Manufacturers: Passes an important sales tax change for manufacturers by broadening the sales tax exemption for manufacturing inputs to include inputs used as part of an integrated production process.

Additionally, makes numerous technical changes to Vermont's tax laws:

- Making hunting and fishing licenses free of charge to any Native American group.
- Creating a reimbursement system for legislative mileage so that these payments can be treated as nontaxable for State and federal income tax withholding purposes.
- Allowing money from Vermont's 529 plan to be used for student loan payments up to \$10,000 and preventing any Vermont Higher Education Investment Plan (VHEIP) tax credit from being recaptured if a plan holder used their funds for that purpose.
- Requiring communications union districts to notify the Vermont Community Broadband Board if they are at risk of defaulting on a loan for a broadband project.
- Resetting the original taxable value of the Montpelier TIF district to values as of April 1, 2023.
- Clarifying the property transfer tax to include enhanced life estates.
- Aligning Vermont's reporting requirements for partnerships with the Federal standard.

Status: Senate concurred with House amendment on May 12. Messaged to Governor and expected to be signed.

Tax Reductions and Other Aid for Vermonters ([H. 510](#))

Tax Exemption for Military Retirees: Passes a VT Tax exemption on up to \$10,000 in retirement income for military retirees. Key component to retain an important segment of the labor force in Vermont. Also includes tax reductions for Vermonters such as Child tax Credit, Student Loan Interest Deduction, child Care Worker Retention Grant Program.

Status: Passed by House and Senate. Messaged to Governor. Expected to be signed.

Property Tax And Education Surplus ([H.737](#))

The legislature came into the session with an education fund surplus of over \$95 million. The session saw a great deal of back and forth on how best to allocate that. H.737 is what's called the "yield bill" and sets the property tax rates for the year, which will be slightly lower this year by using \$20 million surpluses to buy down the homestead rate to \$1.385 per \$100 of assessed value and the non-homestead to \$1.466 per \$100 of assessed value. H.737 also sets aside \$22 million in reserve for funding polychlorinated biphenyls (PCBs) remediation in schools. The Agency of Education, Department of Health, and Agency of Natural Resources will submit a plan next January about how PCB funding will be prioritized and spent. In the meantime, if there is a "critical health emergency" between July and January, the agencies can come before the Emergency Board that can allocate money to address it. Finally, the yield also accommodates \$29 million for S.100, providing universal school meals.

Status: House concurred with Senate amendment. Expected to be messaged to Governor. Veto status unknown.

Alcohol Distribution and Taxation ([H.730](#))

Creates a new Ready to Drink (RTD) beverage definition and makes it subject to a \$1.10 cents per gallon tax. It also changes the taxation of cider, making those with less than 7% alcohol by volume subject to the malt beverage tax in FY2024. It also makes several technical tax changes.

Status: House Concurred with Senate amendment on May 12. Messaged to and expected to be signed by Governor.

Taxation – What Did Not Pass:

- **Internet Service (Cloud-based) Tax:** Once again a tax on cloud-based internet services was proposed but did not make it to the finish line.
- **Tax Increment Financing:**
 - Technical Changes to Regular TIF program: despite hours of testimony on the need to update the TIF program, most technical changes did not pass.
 - Technical change prohibiting use of Bond Anticipation Notes: At the end of the session, House Ways and Means Committee proposed to prohibit the use of BANs as first incurrence of debt by municipalities implementing TIF Districts, despite the fact that this is the best financing tool to bridge debt until the TIF increment is generated.
 - Project-Based TIF Pilot program: Again, legislators ignored hours of testimony over two years regarding how important this tool could be to small, rural towns to finance infrastructure that will encourage smart development.

Workforce/Employment

New Relocating Employee Incentive ([S. 11, Sec. 47a](#)):

\$3,093,000 (GF) to the Agency of Commerce and Community Development for the Relocated and Remote Worker Program. A relocating employee may receive a base grant that does not exceed \$5,000. For a relocating employee who moves to a labor market area with above-average unemployment or below-average annual wage, an enhanced grant cannot exceed \$7,500. The Program no longer requires that relocating workers must work in an occupation on the Vermont Department of Labor's list of "Occupations with the Most Openings" in its "Short Term Employment Projections 2020-2022."

Administered by: [ACCD](#)

Expected Start: Immediate (additional funding for existing program)

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

COVID-19 Paid Leave Grant Program ([S. 11, Secs. 50-51](#)):

\$15,180,000.00 (ARPA) through the Department of Financial Regulation to reimburse employers for the cost of providing COVID-19-related paid leave provided to employees during fiscal year 2023. Grants also may be used to reimburse employers for unpaid leave for COVID-19-related reasons.

Reimbursement of COVID-19-related paid leave or unpaid leave is equal to 100 percent of the greater of minimum wage or the employee's regular hourly wage times number of hours reimbursed. The number of hours reimbursed cannot exceed the lesser of 40 hours or the employee's average weekly hours. The maximum hourly reimbursement for an employee cannot exceed \$21.25, and the aggregate maximum per employee is \$850.

Administered by: [Department of Financial Regulation](#)

Expected Start: Employers may submit applications between October 1, 2022 and September 30, 2023, on a first come, first served basis until funds run out.

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Unemployment Insurance Benefit ([S.11, Sec. 52](#)):

Raises the maximum weekly Unemployment Insurance benefit amount to \$60 plus 57 percent of the State annual average weekly wage beginning the first day of the first calendar week in July 2022. The funds will come from the Unemployment Insurance Trust Fund. The extra \$60 will sunset on June 30, 2025 unless one of two events happens first: additional benefits paid out in aggregate reaches \$8 million or the Commissioner of Labor determines that the modernized information technology system is able to pay out an extra \$25 in weekly benefits prior to July 1, 2025. If either of those events occur, the extra \$60 in maximum weekly benefits will sunset at that time. Beginning July 1, 2025, or if the modernized IT system can make the extra \$25 payment before July 1, 2025, all weekly Unemployment Insurance

benefits will increase by \$25, including the maximum weekly benefit. The additional \$25 weekly payment will sunset when approximately \$92 million has been paid out in additional benefits.

Administered by: [Vermont Department of Labor](#)

Expected Start: July 2022

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Investments in Workforce Expansion and Development (S.11, Secs 2-45):

Appropriates about \$42,000,000 to the following with the stated purpose of expanding opportunities for workforce education, training, and development:

- \$2,500,000 (GF) to UVM Office of Engagement in consultation with the Vermont Student Assistance Corporation to administer a statewide forgivable loan program of \$5,000 per graduate who commits to work in Vermont for two years after graduation.
- \$387,000 (GF) to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.
- \$500,000 (ARPA) to State Refugee Office to administer grants to refugee or New-American focused programs to support increased in-migration or retention of recent arrivals.
- \$250,000 (ARPA) to Agency of Commerce and Community Development to regrant a performance-based contract to the Vermont Professionals of Color Network for business coaching and other training for BIPOC business owners; networking; and career fairs, workshops and paid internships.
- \$250,000 (GF) to Agency of Administration to direct the Special Oversight Committee on Workforce Expansion and Development. The funds may be used to engage the services of one or more experts in the fields of workforce development or organization management to assist the Committee.
- \$1,500,000 (GF) to Department of Labor for a two-year pilot program to create a coordinated regional system, beginning in three regions of the State, to increase local labor participation rates; decrease the number of open positions; increase worker wages as they transition to new jobs; and collect, organize, develop, and share information related to local career pathways with workforce development partners.
- \$420,000 (GF) and dollars to the Department of Corrections to address vocational enhancement needs; and \$300,000 (GF) to the Department of Corrections allocated over not more than three years to establish a community-based pilot reentry program at Chittenden Correctional Facility to provide continuity of services for justice-involved individuals.
- \$1,500,000 (GF) to the Department of Labor to implement a Vermont Work-Based Learning and Training Program. The Program will be developed statewide by the Department of Labor to serve transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change.
- \$3,000,000 (GF) to the Vermont Student Assistance Corporation (VSAC) for scholarships under the Vermont Trades Scholarship Program for trades students who demonstrate financial need. It creates a scholarship program to be administered by VSAC to disburse initial licensing fees, exam fees and tuition payments on behalf of eligible individuals.
- \$15,000,000 (EF) to the Vermont Housing Conservation Board to create and administer a CTE Construction and Rehabilitation Learning Program and Revolving Loan Fund.
- \$2,000,000 (ARPA) to the Department of Health to provide emergency interim grants to Vermont nursing schools. This is a three-year appropriation that allocates \$1 million in FY 2023, and \$1 million in FY 2024.
- \$400,000 (GF) to the Agency of Human Services to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for students enrolled in Vermont nursing school programs. The Agency will distribute the funds to hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of \$5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Director of Health Care Reform will convene a working group to identify ways to increase placement opportunities and provide a report based on those findings.
- \$2,500,000 (ARPA) to VSAC to provide grants to health care employers to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs.
- \$100,000 to the Department of Health to establish a Vermont Nursing Forgivable Loan Program, which provides scholarships for nursing students. Recipients agree to work as a nurse in Vermont for a minimum of one year. Scholarships are to be calculated based on financial need.
- \$2,500,000 (GF) to Department of Health to establish and administer a loan repayment program for nurses and physician assistants in coordination with VSAC. The amount is one year of loans for every year of service as a nurse or physician assistant in the state.

- \$500,000 (ARPA) to Department of Health to create and administer a program to offer forgivable loans to nurse faculty members at a nursing school in Vermont. For each year of service as a nurse faculty member at a nursing school in Vermont, an eligible individual receives a full academic year of forgivable loan benefit.
- \$500,000 (ARPA) to Department of Health to provide loan repayment on behalf of eligible nurse faculty members. The amount recipients can receive is equal to the value of one academic year of loans for every year of service as a member of the nurse faculty at a nursing school in Vermont.
- \$1,500,000 (ARPA) to Department of Health to provide forgivable loans to eligible mental health professionals. Students enrolled in a master's program at an eligible school who commit to working as a mental health professional in Vermont. If the individual fails to serve as a mental health professional in the State in compliance with the Program, they will receive only partial loan forgiveness at a pro-rated amount. Procedures and guidelines will be developed to determine the maximum forgivable loan amounts.
- \$1,250,000 (ARPA) to Agency of Human Services to be distributed to the designated and specialized services agencies. The agencies will use these funds for loan repayment and tuition assistance to for recruitment and retention of high-quality mental health and substance use disorder treatment professionals.
- \$750,000 (ARPA) to Office of Health Care Reform in the Agency of Human Services to establish and operate the statewide Health Care Workforce Data Center. This program is established to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve COVID-19 mitigation and prevention efforts.
- \$170,000 (GF) to the Agency of Human Services, Office of Health Care Reform for one classified, three-year limited-service position as Health Care Workforce Coordinator at AHS. The coordinator will focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment, and retention. \$120,000 is for personal services and \$50,000 is for operating expenses.
- \$150,000 (GF) to VSAC to fund the work of Advance Vermont to increase awareness of postsecondary education and training and promote a broad understanding of the public good and value in achieving the State's goal for 70 percent of working-age Vermonters to hold a credential of value by 2025.
- \$1,800,000 (GF) to Department of Forests, Parks and Recreation for capital and operating needs of groups participating in the Vermont Serve, Learn and Earn Program. The Program creates meaningful paid service and learning opportunities for young adults.
- \$250,000(GF) to Department of Forests, Parks and Recreation to establish a two-year contract for the development of the Vermont Forest Future Strategic Roadmap. The roadmap is meant to strengthen, modernize, promote, and protect the forest products sector in the State.

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

CTE Funding and Governance Structures Study ([S. 287, Sec. 17](#))

Requires JFO to contract to complete a systematic study of the existing funding structures of career and technical education.

Workforce/Employment - What Did Not Pass:

- **Accelerated Minimum Wage Increase:** Early versions of S. 11 included a provision to accelerate the increase in the Vermont Minimum Wage to \$13.75 on January 1, 2023, and \$15.00 on January 1, 2024. Under current law, Vermont minimum wage increases are tied to the Consumer Price Index.
- **Study on Paid Family and Medical Leave: Early versions of S.11** required the administration to contract for a study regarding providing family and medical leave insurance to all State employees and to make that insurance available to other Vermont employers.
- **Provisions Preventing Continued Employment After Settlement Of A Case:** [H.320](#) sought to prohibit agreements that prevent an employee from working for an employer following the settlement of a discrimination claim similar to those the legislature passed in the last few years around sexual harassment claims.
- **Lowering The Threshold For Discrimination:** [H.329](#) attempted to do three significant things. First, it defined "harassment" such that it does not need to be severe or pervasive to be ruled unlawful, nor does it need to be compared to the treatment or outcomes of similar employees. Second, it would create a six-year statute of limitations for harassment and discrimination within housing, public accommodations, and employment, thereby codifying the existing statute of

limitations for contractual damages and extending it from three to six for personal injury damages. Third, as originally drafted and intended, an employee would not need, and to some extent was encouraged not to, go through an employer's internal processes before filing a legal claim against an employer.

- **Health Insurance Reduction For Businesses:** The Legislature once again pursued language to allow the large and small group insurance markets to remain unmerged for another year to take advantage of ARPA premium subsidies, lowering premium rates for small businesses, which saved small businesses \$17.7 million last year. [See language here](#). There was conversation around the need to find about \$2 million to make that happen. However, this did not occur. The savings and success of this is contingent upon Congress continuing the Advanced Premium Tax Credit.

Housing/Community Development/Municipal/Permitting

Omnibus Housing Bill ([S.226](#)):

Last minute maneuvering on Act 250 did not stop the passage of an Act to expand access to safe and affordable housing. The bill makes many changes to existing programs and introduces new programs with the goal of increasing access to housing, primarily by increasing the housing stock and making existing homes more affordable to homebuyers. Sections of one of the Act 250 bills, S.234, were added to this bill. The problematic provisions having to do with forest fragmentation and Act 250 governance were not included, so the Bill is likely to be signed by the Governor. Details of the provisions in the final version of S.226 can be viewed [here](#).

Status: Passed by Senate and House. Messaged to Governor and expected to be signed.

Vermont Rental Housing Improvement and Rental Registry ([S.210](#)):

The rental registry got pulled from S.210 in a compromise with the Governor, and instead, \$400,000 in ARPA funds were appropriated to support a complaint-driven version of the program. This will need a funding source in future years if it continues. The [Vermont Rental Housing Improvement Program](#) will be able to move with \$20 million in funding to provide grants of no more than \$50,000. The bill also carries \$4 million for accessory dwelling units, ADUs with money carved out to help to navigate the process for those hoping to build them.

Status: Passed by Senate and House. Expected to be messaged to and signed by Governor.

Community Recovery and Revitalization Grant program ([S. 11, Sec. 46](#)):

\$40,000,000 (\$10M in S.11 and \$30M in H.740-Budget) to the Agency of Commerce and Community Development to make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations, and support job creation. Projects in regions and communities that have experienced stagnant or declining grand lists will be given preference. To be eligible for the program, applicants must be located within the state and can be for-profit, nonprofit, or municipal entities. The applicant must demonstrate that the project has community and regional support; that grant funding is needed to complete the project; that they are leveraging additional sources of funding from local, State or federal economic development programs; and an ability to manage the project. State and locally government operated businesses, businesses with 20 or more locations, and publicly traded companies are ineligible for grants. Grants cannot exceed the lesser of \$1.0 million or 20 percent of the total project cost. The bill removes the net fiscal impact data model from the program established in Act 74 for the Capital Investment Program and instead requires that the Agency of Commerce and Community Development develop guidelines in coordination with the Joint Fiscal Office and reviewed by the Joint Fiscal Committee. The Agency may also designate one or more sectors for priority consideration in the application process including arts and culture, travel, lodging, tourism, agriculture, and childcare.

Administered by: [ACCD](#) and VEPC (Municipal Grants)

Expected Start: July 1, 2022

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Downtown and Village Center Tax Credit Program ([S. 11, Sec. 54](#)):

\$2,450,000 (GF) to the Vermont Downtown and Village Center Tax Credit Program to be used in FY 2023 and FY 2024. The funds will be used to increase the amount of tax credits that may be awarded to qualified projects. Up to \$2.0 million of the appropriated amount may be awarded to qualified projects located in designated neighborhood development areas.

Administered by: [ACCD/DHCD](#)

Expected Start: Immediate (Additional funding for existing program)

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Municipal Energy Resilience Grant and Loan Program ([H.518](#)):

Creates a municipal energy resilience program including technical assistance, grants, and loans through the Vermont Department of Buildings and general Services to municipalities to make use of more efficient renewable energy technologies.

House concurred with Senate amendment on May 11. Expected to be messaged to and signed by Governor.

Brownfields Funding ([H. 740, Sec. G.300\(c\)\(2\)](#)):

\$6,000,000 in the Budget Bill to the ACCD/Department of Economic Development for the remediation and redevelopment of brownfields sites.

Status: House passed H. 740 Conference Report on May 12. Bill messaged to Governor and is expected to be signed.

VOREC Funding ([H. 740, Sec. G.300\(c\)\(1\)](#)):

\$5,000,000 in the Budget Bill to the Department of Forests, Parks and Recreation for the Vermont Outdoor Recreation Economic Collaborative (VOREC) Community Grant Program.

Status: House passed H. 740 Conference Report on May 12. Bill messaged to Governor and is expected to be signed.

Expedited Permitting ([H. 740, Sec. G.300\(a\)\(1\)](#)):

\$1,050,000 in the Budget Bill to the Natural Resources Board to prioritize and expedite permitting for ARPA-funded projects.

Status: House passed H. 740 Conference Report on May 12. Bill messaged to Governor and is expected to be signed.

Act 250 Changes ([S.234](#)):

Includes new criteria for forest fragmentation (forest blocks and connecting habitats and changes to Act 250 governance). Many aspects of S. 234, except these provisions, were moved to and passed in S.226 the Omnibus Housing Bill (See above).

Status: Passed by House and Senate on May 12. Expected to be vetoed by Governor.

50% Land Conservation by 2050 ([H. 606](#))

Commits Vermont to the worldwide “30 by 30” movement, which aims to conserve at least 30% of Vermont’s total land area by 2030 and 50% by 2050 through various conservation and protection techniques.

Status: Senate concurred with House on May 5. Expected to be messaged to Governor. Veto status unknown.

Housing/Community Development/Municipal/Permitting- What Did Not Pass:

- **Rental Registry:** The contentious, multi-year battle over a rental registry, which began in [S.79](#) last year and was vetoed, came to an amicable enough end. The rental registry got pulled from S.210 in a compromise with the Governor, and instead, \$400,000 in ARPA funds were appropriated to support a complaint-driven version of the program.
- **End of Duplicative Permitting:** S.101 would have remedied the issues developers and homebuilders see around duplicative wastewater and sewer permits. The bill stalled the whole session, and this language at times found other homes. However, it never made it across the finish line. Advocates will be back to pursue this efficient and elegant solution in the next biennium.

Other Issues

Restaurants and Farmers Feeding the Hungry Program ([S. 11, Sec 53e](#))

\$1,300,000 (GF) to Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known as Everyone Eats. The grant will provide State funds to match Federal Emergency Management Agency (FEMA) funds available for the program.

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Sports Betting Study Committee ([S. 11, Sec 56](#))

Establishes the Sports Betting Study Committee to examine whether and how to regulate sports betting in Vermont.

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Prohibition of Robocalls ([S.11, Sec 57](#))

Prohibits the initiation of an automatically dialed or prerecorded telephone call to a Vermont consumer and established a civil violation and criminal penalties for same.

Status: Senate adopted S.11 Conference Report on May 11. Bill was messaged to Governor and is expected to be signed.

Establishing A Cause Of Action For Medical Monitoring Expenses ([S.113; ACT 93](#))

This year, Governor Scott signed the medical monitoring bill, S.113, capping off an over six-year back and forth over that policy, involving dozens of versions and multiple vetos. The bill creates a cause of action for medical monitoring for those affected by contamination and would draw much of its language from the Crawford decision written for the Sullivan vs. Saint-Gobain case stemming from PFOA exposure in Bennington. The language proposed in S.113 goes beyond the proximate cause under the Crawford decision, which was problematic, however, by the end of the work on the bill, the language fit the Crawford decision more closely. [More details about the bill can be found here.](#)

Status: Signed into law- Act 93

Transportation Bill ([H.736](#))

The transportation bill, or T-bill, saw an increase in funding over a typical year due to federal funds available making substantial investments in electric vehicles and the infrastructure to support them.

Two other large items were:

Airport Study – A great deal of back and forth between the Senate and House about the ultimate make-up at the committee. The Burlington International Airport Working Group was created in the transportation bill to bring a report examining the existing governance structure and alternatives to the current governance structure of BTV recommendations. There will be ten members in the working group, with some appointed by the neighboring municipalities as well as other appointed members.

Fare-Free Transit – Also in the transportation bill was \$1.2 million to Green Mountain Transit to maintain fare-free service in urban areas and to restore service cuts to pre-pandemic levels.

Status: House concurred to Senate amendment May 10. Expected to be messaged to and signed by Governor.

Pension Bill ([S.286](#))

The long-awaited bill came as a result of a Task Force created [last legislative session](#) and reserves set aside to start contributing to Other Post-Employment Benefits. This bill contains a \$200 million one-time General Fund appropriation in FY 2022 to the pension systems to pay down unfunded liabilities. The bill is expected to reduce Vermont's long-term unfunded retirement liabilities for state employees and teachers by approximately \$2 billion by prefunding other post-employment benefits, modifying the pension benefit structure, and making additional State and employee contributions to the retirement systems.

Status: The bill was vetoed by the Governor because it did not create the ability for employees to elect for a defined benefit plan instead of a defined contributions plan. The response was that doing so would usher in the collapse of the defined benefit plan and what some see as an admission that the program is only functioning because it uses current employee dollars to fund current retirement benefits. The veto was overridden unanimously in both the House and the Senate.

OUR THANKS TO DRM AND THE LAKE CHAMPLAIN CHAMBER FOR THEIR WEEKLY LEGISLATIVE UPDATES THROUGHOUT THE SESSION



May 26, 2022

To: NVDA Executive Committee

From: David Snedeker, Executive Director

Re: Director Updates – NVDA Board Meeting, via Zoom

NVDA staff have returned to NVDA offices on a limited basis following the lifting of pandemic restrictions. All staff have the ability to work remotely. Tenants at our downtown office building and the Charles Carter Business Center in the industrial park have essentially returned to normal operations.

NVDA Brownfields Coalition Partnership – EPA Assessment Activities update

After completing our 2018 EPA Coalition Assessment Grant we are working on projects with our 2020 EPA Coalition award:

- Lyndon Town Garage (for park and recreational use) – completed Phase 1. *Additional Phase 2 funding is needed.*
- Former Kennametal facility in Lyndonville. Although the owners are considering demolition, there is a local business interested in purchasing the building for their expansion. *Phase 1 funding is available to facilitate the possible purchase.*
- Barton Motors properties. The new owner used Phase 1 funding to facilitate the purchase. *Phase 2 funding is requested for the redevelopment.*
- Bogner building in Newport – Phase 1 completed. Phase 2 report expected this week. *Funding needed for Corrective Action Plan.*
- Sacred Heart School in Newport – Phase 1 completed. *Recognized Building Material survey to be completed on June 6th.*
- H. K. Ide building in St. Johnsbury – Phase 2 work in process. *Funding needed for partial Corrective Action Plan.*
- 560 Railroad Street in St. Johnsbury – *Phase 2 work in process.*
- Portland Pipeline site in Sutton – *Supplemental Phase 2 work in process.*
- NVDA Gallery building in St. Johnsbury – *Phase 1 draft report in process.*

Industrial Park Lot Sale/Inquiry

- NVDA has submitted a subdivision application to the Town of St. Johnsbury and Act 250. We are working with a buyer looking to develop a 10,000sf bottling facility.
- NVDA is working with a health and fitness business who is seeking to build a 4,000sf facility in the St. Johnsbury – Lyndon Park.
- NVDA has listed the Orleans Park with Century 21 Farm & Forest. We have some interest from an existing business in the park, and also a solar developer.

Other major projects:

NVDA staff has started summer field work with NEK towns around road erosion and water quality

NVDA staff continues to lead the Hardwick Yellow Barn Business Accelerator development project. The project has a sizeable funding gap that we are addressing

NVDA staff are leading in the development of a comprehensive funding resource tool for the 6-county Northern Vermont Economic Development District

NVDA and Regional Planning Commissions continue working with the VT League of Cities and Towns to assist municipalities with accessing American Recovery Plan Act (ARPA) funds

NVDA hired an Energy Planner who is working with communities around the region on implementing their energy plans

NVDA has just hired a part-time Bookkeeper to assist the Business and Office Managers

NVDA staff are participating on the LVRT steering committee and assisting with the development of a management plan for the trail