



LEGISLATIVE REPORT

Lake Champlain Regional Chamber of Commerce & GBIC

January 29, 2010 - Week 4



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Legislative Report is a weekly update from the legislative team of the Lake Champlain Regional Chamber of Commerce and GBIC.

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Legislators and lobbyists crowded into the Governor's ceremonial office this week to hear his announcement about the Vermont Yankee Nuclear Plant in Vernon. Governor Douglas called for a time out on Vermont Yankee indicating that he did not feel Legislators could make a decision on the re-licensing issue until many of the questions surrounding the plant's safety were answered. The Governor also called for changes in management at the plant and a halt to the Public Service Board's consideration of Entergy's request to spin the facility off to a new company.

The words "Challenges for Change" were heard frequently in the halls of the Statehouse this week as most House and Senate Committees spent some time working on the initiative to reform government and save money. Legislative committees are supposed to set the outcomes they would like to see from Vermont agencies and departments and many committees struggled with the concept given their propensity to micromanage state government. This assignment has resulted in some confusion and discomfort on the part of legislative committees as they conduct their review of bills and work on identifying desired outcomes.

The House Commerce Committee saw a change in leadership this week, with Rep. Warren Kitzmiller (D-Montpelier) stepping down and Rep. Bill Botzow (D-Pownal) assuming the role of the Chair. The Commerce Committee has been reviewing the recommendations of the Challenge for Change report, which calls for spending 10 percent less on economic development over the next two years. Secretary Dorn expressed the need to leverage the agency's limited resources as much as possible and suggested one outcome could be increased investment in sectors including health care, biotechnology and information technology. The Committee also heard testimony about the Commission on the Future of Economic Development's proposal to create a 17 member Economic Development Board, bill H.550, headed up by a full time Chair, which would be responsible for long term economic planning. Committee members inquired about how long it would take to get the entity up and running when there is a pressing need to have an economic development strategy in place now. President Frank Cioffi testified that he is open to evaluating the concept of an Economic Planning Board/Entity and willing to participate in vetting the issues raised by the Committee. He raised concerns that any plans developed must be integrated with the work of the Executive Branch of state government in order to effectively conduct economic development.

The House Education Committee took testimony on the findings of the Business Education Alliance Report which our organizations helped develop two years ago. Among other recommendations, this report called for restructuring education governance, the appointment of the Education Commissioner by the Governor as well as changing the composition of the State Education Board to include more stakeholders. Our organizations testified that this governance change would result in more accountability and collaboration between state and local educational entities. Committee Chairman Joey Donovan (D-Burlington) explained to her caucus that there are significant concerns about increased educational costs and property tax hikes, despite local school board attempts to decrease their budgets. Therefore, her committee is working on bills to address some of these factors including incentives to encourage district consolidation and efficiencies in business practices for supervisory unions.

Jo Bradley, Chief Executive Officer for the Vermont Economic Development Authority (VEDA) testified before House Commerce and Economic Development Committee this week. She indicated that VEDA's commercial lending program lent \$14 million in loans to businesses last year which drew down another \$41 million in bank lending. VEDA was able to buy down the interest rates on these loans to two percent. The average loan size was \$450,000. She indicated that some businesses decided to go ahead with projects due to the low interest rate available. The largest commercial loan available is \$1.3 million. Businesses must provide ten percent of the capital with forty percent coming from VEDA and fifty percent through commercial lenders.

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The state's regional development corporations offered ideas to the House and Senate Economic Development Committees for job creation. Tim Smith of Franklin County, Art Sanborn of Lamoille County and Jeff Lewis of Windham County as well as our own Frank Cioffi of GBIC suggested the following:

- Enable redevelopment authorities to have more power to upgrade blighted properties for reinvestment. This action would address the lack of sufficient real estate inventory.
- Expand the Vermont Telecommunications Authority bonding capacity to expand broadband in economic centers.
- Build an industry sector analysis and dashboard.
- Increase job training funds and internship opportunities.
- Support the Vermont Employment Growth Incentive program.
- Focus on increasing our workforce through recruitment of young talent and training.
- Address systemic barriers such as housing affordability and inefficient regulatory processes.

Please see the GBIC web site for a complete list of the recommendations: www.gbicvt.org

GBIC will work with Senator Vince Illuzzi and the Senate Economic Development Committee to help advance a "Jobs and Economic Development" bill that the Committee is crafting this session.

The House Natural Resources Committee passed a bill that would restrict commercial vehicles from idling for more than five minutes. The bill has several exemptions for fire/safety vehicles, utility vehicles and the like. Passenger vehicles were added to the bill and then removed in order to move the bill forward.

The House Business Caucus met this week. Caucus Chair Don Turner (R- Milton) organized the caucus to draw more attention to business issues at the Statehouse. The caucus is working on legislation based on the Chamber and GBIC's permitting recommendations.

The Senate Economic Development Committee will hold a public hearing on proposals to reform the Unemployment Trust Fund on Thursday, February 4th from 9:00 a.m. to Noon at Contois Auditorium in Burlington.

Quick Hits:

The Ways and Means Committee worked on a fee bill and began taking testimony on the miscellaneous tax bill. The fee bill includes increases in Agency of Natural Resources application fees.

The House Agriculture Committee plans to look at a fee on scanners again this year. Department of Agriculture inspectors perform the inspections on these machines in retail stores and there is currently no fee for the inspections. The issue came up last year but did not move forward due to concerns about the impact the new fee would have on Vermont's retailers and grocers.

Senator Ginny Lyons (D- Chittenden Co.) introduced a bill, S.209, to require Vermont schools to open after Labor Day. The bill would enable hospitality and tourism businesses to retain student employees longer. Chamber members David Grimm with the Champlain Valley Exposition and Bob Mulcahy with Smugglers Notch Resort testified before the Senate Education Committee in support of the bill. Sam Matthews of the Central Vermont Economic Development Corporation testified in favor of regional school calendars saying that different calendars for each school district makes it more difficult for students to attend regional technical centers and less likely to obtain that education.

Please Join Us for Employer Day on February 5!

Do you know that your unemployment taxes are likely to go up? Will the capital gains and estate tax changes made last year affect you? Has your company benefited from the Vermont Training Program or the Vermont Employment Growth Incentive program? **Then join us for Employer Day at the Statehouse on Friday, February 5th at 8:30 a.m.** Hear from Governor Douglas, Lt. Governor Brian Dubie, Senate President Pro Tem Peter Shumlin and Speaker Shap Smith. Ask questions and connect with your legislators. Never been to the Statehouse? Don't worry, we'll make it easy. RSVP to Cathy Davis at cathy@vermont.org.

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