

POSITION STATEMENT ON THE VERMONT ECONOMY

In a dynamic economy, economic growth depends on a community's ability to create and retain high-quality jobs and high quality employers. Government has a strategic role to play in guiding a region's economic future and supporting the development of our economy's competitive advantage. Forward-looking governments and agencies help create a competitive business environment and also support entrepreneurship and entice leading firms in strong high-wage industries to locate, grow and remain within their jurisdiction. They can also help cultivate a versatile and skilled workforce. In an increasingly mobile and competitive world economy, a government needs to focus on attracting and retaining specific employers and employees as well as creating a competitive base to help insulate their citizens from economic volatility. Furthermore, Vermont businesses and individuals have the opportunity and responsibility to guide the strategic direction of investment in our economic future and thereby help government make sound economic, education, work force training, tax policy and land use utilization decisions.

Highest Priorities

1. The state must support the immediate development, formulation and implementation of a long range economic strategic plan for the region and state which provides for the retention of existing employers and identifies and promotes the growth of independently identified areas of competitive strength for Vermont building upon statewide outreach efforts conducted to date.
2. The legislature and state should agree to conduct a comprehensive, nonpartisan, initiative to simplify and modernize our tax system and expand the opportunities for emerging companies to access capital.

Priorities

Based upon the research and strategic planning efforts identified above, we can then thoughtfully add insight on achieving our other critical economic development priorities:

3. Make strategic investments in essential infrastructure such as telecommunications, energy use, generation and distribution, cultural assets, transportation systems and quality child care to make Vermont attractive to a world-class work force.
4. Develop expedited permitting and regulatory oversight of strategic needs such as wireless technologies, land use in areas served by infrastructure and energy generation, efficiency and distribution projects.
5. Continue to provide workforce training grants and deliver effective training programs.
6. Analyze and realign regional governance for efficiencies.
7. Align investment in pre-kindergarten, primary, secondary and post-secondary education as well as workforce training to maximize the value to the Vermont economy.

Strategies

- **A robust, statewide effort driven by the private sector, but supported by the state and coordinated with existing planning and development groups is needed to prepare a comprehensive strategic plan to guide investments in infrastructure, education, workforce training and recruitment. This effort must analyze those economic sectors that can provide Vermont with a regional and world wide advantage.** In response to this analysis, a collective long range strategy will emerge to guide decision making in the interrelated areas of economic opportunity, energy, telecommunications, land use and transportation planning. This effort, however, must be financially and intellectually supported at the highest level in the first phases by the private sector. It must also include statewide input from a variety of stakeholders and build upon the robust data available to assess Vermont's competitive advantage world wide.
- **Begin the work of systematic tax reform.** Following the strategic planning efforts outlined above, Vermont's leaders must have a thoughtful roadmap to meaningfully simplify and modernize the state tax system with clear outcome measures supporting the reform. Our tax policies have not kept pace with the new economy and are in need of an overhaul to be more hospitable to economic enterprise development as well as to take account of the state's demographic realities. Small economies must leverage their size by aggressively innovating in order to remain competitive for jobs, people and to maintain growth. Tax policy and revenue collection based on a cost-benefit model should focus on encouraging research and development, and investment in sectors identified in the analysis described above.
- **Relying on the outcomes and work-plans evolving from the process described above, invest in infrastructure.** A world class telecommunications system, transportation network, energy efficiency, generation and distribution system and "in the ground" infrastructure are all important aspects of a successful economic future. The state's investment must be linked to actual specific goals and predicted returns on investments. The state must consider bonding and functional tools like tax increment financing and public/private partnerships and must also look to other revenue sources to deliver these services.
- **Establish a public/private capital fund for start-ups, increase the level of technical assistance available for entrepreneurs, and explore all available options to ensure effective deployment of capital to spawn job creation and economic growth.** The state should pursue innovative tax programs and credits for charitable contributions, research and development, innovative energy/transportation practices and the development of green sector businesses.
- **Expand the availability of education and workforce training and make Vermont hospitable for business and affordable to live.** The demographic "tsunami" we currently face of being the second oldest state in the nation has widespread implications for growing our workforce and our economy. We must improve business competitiveness by focusing on existing systemic impediments such as energy costs, tax burdens, child care, health care, technology infrastructure and workers' compensation costs.

- **The relationship of municipalities to our existing regional governance structure should be evaluated by the Legislature to ensure that high quality, cost effective benefits are delivered to our citizens.** The 2005 recommendations included within the Institute of Government Effectiveness report should be reevaluated by the legislature and administration for implementation.
- **The state must develop a statewide vision for the education system that uniformly delivers quality outcomes, scales investment of resources in synch with demographic and enrollment trends and uses those resources more effectively and efficiently.**

Adopted by the Lake Champlain Regional Chamber of Commerce Board of Directors on November 12, 2008 and the GBIC Board of Directors on October 22, 2008.