

H.885

AN ACT RELATING TO ECONOMIC DEVELOPMENT AND WORKFORCE  
DEVELOPMENT

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. FINDINGS; INTENT

(a) The general assembly finds:

(1) A review of several rankings for Vermont's competitiveness and their differentiation shows very disparate results. For example, the Beacon Hill Institute ranked Vermont twelfth and the American Legislative Exchange Council (ALEC) ranked Vermont fiftieth on their economic development competitiveness index. Each outside ranking entity chose different factors.

(2) Within Vermont, our measurement techniques show variations. Job and employment data in the state suffer from definitional disparities which create conflicts for those trying to use the data. The newly established and recently released "unified economic development budget" would be improved by the consistent use of benchmarking by state agencies. Testimony on this study before the general assembly raised concern over state agency benchmarking because of the differing data issues and measuring approaches that affect their use by state government in Vermont.

(b) The general assembly has a responsibility for the promotion of economic development in Vermont that builds on the unique strengths and challenges of doing business in Vermont. The general assembly is interested in what criteria it should use to evaluate the effectiveness of economic development efforts. Many states have structures and methods for measuring the effectiveness of economic development efforts.

(c) The commission on the future of economic development is charged with benchmarking and measuring economic development.

(d) Therefore, it is the intent of the general assembly in adopting this act to establish a logical structure and coherent and uniform set of benchmarks for economic development in this state.

## Sec. 2. COMMISSION ON THE FUTURE OF ECONOMIC

### DEVELOPMENT

In fiscal year 2009, the Commission on the Future of Economic Development (CFED) shall:

(1) Finish all 12 public engagement sessions.

(2) The Snelling Center shall assemble all the products of the CFED meetings and submit them to CFED to develop meaningful, realistic, and verifiable goals and benchmarks for economic development.

(3) The goals and benchmarks shall be submitted to the joint fiscal office, who shall work with the economists of the executive and legislative branches to:

(A) review the techniques and products of evaluations of economic development used by other states;

(B) use the econometrics for Vermont in developing benchmarks for the CFED goals by December 15, 2008.

(4) Benchmarks shall be submitted to CFED for review and recommendations.

(5) Benchmarks shall be submitted to the house committee on commerce and the senate committee on economic development, housing and military affairs on or before January 15, 2009.

(6) CFED, with technical assistance from the joint fiscal office and the economists, shall annually review benchmarks and develop recommendations for adjustments to be submitted to the general assembly for approval.

## Sec. 3. LABOR MARKET MEASURES

The department of labor shall collaborate with the joint fiscal office and the agency of commerce and community development to develop a mutually acceptable set of employment measures and a means of communicating them to the general assembly.

## Sec. 4. REPEAL

Sec. 225 of No. 65 of the Acts of 2007 is repealed.

Sec. 5. 10 V.S.A. § 2 is added to read:

§ 2. UNIFIED ECONOMIC DEVELOPMENT BUDGET (UEDB)

(a) For purposes of evaluating the effect on economic development in this state, the commissioner of finance and management, in collaboration with the secretary of commerce and community development, shall submit a unified economic development budget as part of the annual budget report to the general assembly under 32 V.S.A. § 306.

(b) The unified economic development budget shall include appropriations or expenditures for all of the types of development assistance, workforce training and education, and the development-related research granted or managed by the state during the prior four fiscal years by all agencies, departments, authorities, and other instrumentalities of the state. The budget shall adjust expenditures or appropriations to enable year-to-year comparisons to be made.

(c) The unified development budget shall specifically include:

(1) The aggregate amount and program-specific amounts of all state economic development assistance, including grants, loans, and tax expenditures.

(2) The aggregate amount and program-specific amounts of uncollected or diverted state tax revenues resulting from each type of development assistance provided in the tax statutes, as reported in the annual tax expenditure report (32 V.S.A. § 312). If current data are not available, the report may use the average of the three most recent years reported.

(3) Performance measurements, including estimated jobs created, increases or decreases in payroll including benefits, and other measures of economic advancement, with clear descriptions of data sources and methodologies.

(4) A report of progress in developing consistent and measurable benchmarks of job creation.

(d) The data presented shall be organized by categories such as administration, workforce education and training, tax expenditures, agriculture, tourism, technical assistance, planning, housing, transportation, technology, and research, among others deemed appropriate. Every effort shall be made to standardize definitions of positions and other measures.

Sec. 6. 2009 UNIFIED ECONOMIC DEVELOPMENT BUDGET REPORT

In the 2009 UEDB report, the commissioner of finance and management shall review the various reporting requirements relating to economic development including 10 V.S.A. §§ 2 and 7, and 32 V.S.A. § 307(c), and recommend how to consolidate and coordinate these reports to maximize administrative efficiency and information quality to enable continuing review and oversight by the general assembly. The report shall include legislative proposals.

Sec. 7. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT  
PROGRAMS

\* \* \*

(b) Purposes. The fund shall be used exclusively for the following two purposes:

\* \* \*

(2) internships to provide work-based learning opportunities with Vermont employers for students from Vermont colleges, public and private high schools, regional technical centers, and the Community High School of Vermont, and for students who are Vermont residents attending college, high school, technical or vocational schools out of state.

\* \* \*

(d) Eligible Activities. Awards from the fund shall be made to employers and entities that offer programs that require collaboration between employees and businesses, including private, public, and nonprofit entities, institutions of higher education, technical centers, and workforce development programs. Funding shall be for training programs and student internship programs that offer education, training, apprenticeship, mentoring, or work-based learning activities, or any combination; that employ innovative intensive student-oriented competency-based or collaborative approaches to workforce development; and that link workforce education and economic development strategies. Training programs or projects that demonstrate actual increased income and economic opportunity for employees and employers may be funded for

more than one year. Student internships and training programs that involve the same employer may be funded multiple times, provided that new students participate.

\* \* \*

(f) Awards. Based on guidelines set by the council, the commissioner of labor shall make awards to the following:

(1) Training Programs. Public, private, and nonprofit entities for existing or new innovative training programs. There shall be a preference for programs that include training for newly created or vacant positions. Awards may be made to programs that retrain incumbent workers. Awards under this subdivision shall be made to programs or projects that do all the following:

\* \* \*

(G) demonstrate an integrated connection between training and specific employment opportunities, including an effort and consideration by participating employers to hire those who successfully complete a training program. ~~If employment is not guaranteed at the successful completion of the training, the applicant must demonstrate employer involvement and that the training is likely to lead to employment in fields in which there is demand for jobs.~~

(H) The department shall ensure there are resources available in each quarter of the fiscal year.

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\* \* \* Workforce Development for Green Industries \* \* \*

## Sec. 8. FINDINGS; PURPOSE

(a) The general assembly finds the following:

(1) There is a growing global demand for products and services that will reduce the impact on the natural environment by individuals, businesses, governments, and many other entities.

(2) There is a common international perception that Vermont has a very well-defined green identity, a reputation developed through years of commitment to environmental integrity.

(3) Vermont's resources should be used to build a vibrant and strong environmental industry sector that creates high-wage jobs for Vermonters through the development and export

of value-added products and services designed to reduce our collective impact on the environment.

(4) Vermont must create a framework that stimulates the innovation and investment necessary to expand the development of new renewable energy sources and distribution capacity.

(5) Vermont's economic development strategy must be designed to raise Vermont's profile as a hub of environmental integrity, innovation, and opportunity for working Vermonters.

(b) The purpose of this act is to effect the following:

(1) To understand better and quantify the economic value and market opportunities and benefits of the emerging environmental technology sector in Vermont so that Vermont can derive economic value in the form of job creation, innovation, and development of technologies, products, and services that protect and enhance the environment.

(2) To formulate a strategy for environmental technology sector workforce development and training and develop programs that promote and market that sector and create a competitive workforce equipped with the necessary skills and competencies to assure that Vermont is strategically positioned to compete effectively in environmental technology industries and the global marketplace and space.

Sec. 9. WORKFORCE DEVELOPMENT PLAN; ENVIRONMENTAL  
TECHNOLOGY SECTOR JOB TRAINING; LABOR FORCE  
ANALYSIS

(a) For the purposes of this section:

(1) "Environmental technology employee" means a fulltime employee primarily engaged in providing goods or delivering services in the environmental technology sector.

(2) "Environmental technology sector" means businesses and organizations that work in or are related to at least one of the following:

(A) Waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation.

(B) Natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or-remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation.

(C) Energy efficiency or conservation.

(D) Clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

(E) Any other environmental technology certified by the secretary of commerce and community development.

(b) The commissioner of labor in collaboration with the secretary of commerce shall perform a labor force analysis using the inventory of green business developed by the agency of commerce and the North American Industry Classification System (NAICS). The analysis shall include the geographic distribution of existing businesses and anticipated opportunities for business recruitment in the environmental technology sector. The analysis shall be issued in a written report to the house committee on commerce and the senate committee on economic development, housing and general affairs no later than February 1, 2009 and shall include:

(1) Regional profiles that identify the concentration and distribution of environmental technology opportunities in Vermont.

(2) The skills and competencies necessary for successful employment in the environmental technology sector.

(3) Projection of employer needs and employee skills required for the future of the environmental technology sector.

(c) The commissioner of labor shall develop a workforce development plan relating to green building, energy efficiency, and renewable energy industries. The plan shall be developed in consultation with the groups with knowledge and expertise pertaining to the workforce development needs of and implementation of training programs for the environmental technology sector as defined in subdivision (a)(2) of this section, including, but not limited to, the following: representatives of the building trades; the Vermont workforce development council; weatherization contractors; Efficiency Vermont; appropriate educational institutions;

Vermont businesses for social responsibility; Vermont fuel dealers association; Renewable Energy Vermont; Vermont green building network; the Lake Champlain Regional Chamber of Commerce; the Vermont Chamber of Commerce; the Greater Burlington Industrial Corporation (GBIC), the green institute for the advancement of sustainability; and Green for All.

\* \* \* Employment Practices \* \* \*

Sec. 10. 21 V.S.A. § 385 is amended to read:

§ 385. ADMINISTRATION

The commissioner and the commissioner's authorized representatives have full power and authority for all the following:

\* \* \*

(4) To recommend and determine the amount of deductions for board, lodging, ~~apparel~~, or other items or services supplied by the employer or any other conditions or circumstances as may be usual in a particular employer-employee relationship, including gratuities; provided, however, that in no case shall the total remuneration received by an employee, including wages, board, lodging, ~~apparel~~, or other items or services supplied by the employer, including gratuities, be less than the minimum wage rate set forth in section 384 of this title. No deduction may be made for the care, cleaning, or maintenance of required apparel. No deduction for required apparel shall be made without the employee's express written authorization and the deduction shall not:

(A) Reduce the total remuneration received by an employee below the hourly minimum wage.

(B) Include any administrative fees or charges.

(C) Amend, nullify or violate the terms and conditions of any collective bargaining agreement.

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Sec. 11. ADULT TECHNICAL EDUCATION; WORKFORCE  
EDUCATION AND TRAINING; REPORT

The commissioner of education shall:

(1) Outline and review the current method or methods by which tuition is paid for students enrolled in secondary schools (“secondary students”) to attend regional technical center programs.

(2) Consider and propose potential solutions to any barriers preventing, discouraging, or failing to encourage secondary students to attend regional technical center programs, including scheduling issues, availability of classes outside the traditional school day and academic year, and financial disincentives.

(3) Outline and review the current method or methods by which the cost of adults entering programs at a regional technical center is funded, both for adults who have a high school diploma and for those who do not.

(4) Consider and propose potential solutions to any barriers preventing, discouraging, or failing to encourage adults, with and without a high school diploma, to attend regional technical centers, including scheduling issues, availability of classes outside the traditional school day and academic year, and financial disincentives.

(5) Consider and propose potential financial and other incentives to encourage regional technical centers to offer technical education programs at times other than the traditional school day and academic year and to otherwise make technical education programs more available to secondary students and to adults with and without high school diplomas.

(6) Consider the positive and negative aspects of including within the definition of “pupil” for purposes of determining a district’s average daily membership all adult students with a high school diploma who are attending programs at a regional technical center and consider and propose other methods of subsidizing tuition for these students.

(b) On or before January 15, 2009, the commissioner shall submit a written report to the senate committee on economic development, housing and general affairs, the house committee on commerce, and the senate and house committees on education detailing the results of the

work performed pursuant to this section and all potential methods of addressing the identified issues.

Sec. 12. EFFECTIVE DATE

This act shall take effect upon passage.