

Introduced by Committee on Commerce

Date:

Subject: Economic development; benchmarks

Statement of purpose: This bill proposes to create a process for the selection of economic performance measures and benchmarks.

AN ACT RELATING TO DEVELOPING CONSISTENT MEASUREMENT STANDARDS  
FOR ECONOMIC GROWTH

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. 10 V.S.A. § 1(h) is added to read:

(h) The commission on the future of economic development with its staff, using as a resource the joint fiscal office and legislative council staff, shall:

(1) review the techniques and products of evaluations of economic development utilized by other states;

(2) develop goals for Vermont benchmarks that build on the unique strengths and challenges of conducting business in Vermont;

(3) identify a cohort of relevant comparables, considering both domestic and international examples; and

(4) evaluate Vermont's economic development bench marking.

Sec. 3. DEPARTMENT OF LABOR EMPLOYMENT AND JOBS REPORT

(a) The department of labor shall develop and prominently display a user-friendly, annotated attachment to its regular employment and jobs reports that:

(1) Identifies whether jobs gained and lost are non-profit or for-profit, and private or public;

(2) Identifies whether jobs gained or lost are seasonal or year-round, part-time or full-time.

(3) Classifies jobs by size of employer;

(4) Classifies jobs gained and lost by industry average wages, and benefits offered benchmarked against Vermont median wages and benefits.

(b) The department shall collaborate with the joint fiscal office to link information for further public access.

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 legislature 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 is 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. § 7, 32 V.S.A. § 307(c), Sec. 225 of No. 65 of the Acts of 2005 Adj. Sess. 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. 2008 INTERIM REVIEW

The House Committee on Commerce and the Senate Committee on Economic Development, Housing and General Affairs shall review the criteria and evaluation systems for the employment and training programs prior to the commencement of the 2009 legislative session.