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H.767

Introduced by Representatives Botzow of Pownal and Marcotte of Coventry  
Referred to Committee on  
Date:  
Subject: Commerce and trade; economic development  
Statement of purpose of bill as introduced: This bill proposes to adopt the  
ThinkVermont Innovation Initiative.

An act relating to adopting the ThinkVermont Innovation Initiative

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

~~Sec. 1. THINKVERMONT INNOVATION INITIATIVE~~

~~(a)(1) The ThinkVermont Innovation Initiative is created to be responsive to the growth needs of Vermont's small businesses by deploying services and innovative strategies that help accelerate small business growth.~~

~~(2) The Initiative will enable the State to invest in projects with grants that can be accessed more quickly and with fewer restrictions than traditional federal initiatives.~~

~~(b) In fiscal year 2019, the amount of \$400,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to implement the ThinkVermont Innovation Initiative pursuant to this section.~~

1 ~~(c)(1) The Secretary of Commerce and Community Development shall~~  
2 award up to \$300,000.00 through a competitive request for proposals on a  
3 rolling basis throughout the fiscal year.

4 (2) Each grant shall be designed to provide seed capital for not more  
5 than two fiscal years.

6 (3) The Secretary, in consultation with the Vermont Economic Progress  
7 Council, shall have the authority to award grants for projects that meet one or  
8 more of the following criteria:

9 (A) swiftly and directly connect workforce training to the immediate  
10 needs of employers to fill job vacancies;

11 (B) enhance facilities that will attract small companies or remote  
12 workers;

13 (C) enable creative innovations that attract and retain small business  
14 workforces;

15 (D) enable pilot projects framed as a result of Vermont Council on  
16 Rural Development community visits;

17 (E) leverage federal initiatives such as the federal New Market Tax  
18 Credit Program or the Federal Reserve Bank of Boston Working Communities  
19 Program;

20 (F) deploy or enhance innovation, maker, or coworking spaces with  
21 special emphasis on those that promote colocation of nonprofit, for-profit, and

1 government assets:

2 (G) initiatives that leverage other innovation funding outside State  
3 government;

4 (H) enable or promote remote workers locating in Vermont;

5 (I) enable or promote deployment of broadband telecommunications  
6 connectivity.

7 (d) The Secretary shall reserve not less than 10 percent of the competitive  
8 funding specified in subsection (c) of this section for micro-grants of less than  
9 \$10,000.00.

10 (e) The Secretary shall require that each recipient provide a one-to-one  
11 match from a source outside State government, except for micro-grants  
12 awarded pursuant to subsection (d) of this section, which require a 25 percent  
13 match.

14 (f)(1) The Secretary shall adopt measures to evaluate each initiative that  
15 receives a grant to determine its impact, including:

16 (A) job growth measured at one-, three-, and five-year intervals; and

17 (B) overall growth measured by revenue changes, new jobs created,  
18 jobs retained or workers retrained in sectors where disruptive technology is in  
19 play, or collateral investment attracted.

20 (2)(A) The Secretary shall conduct an interview with grant recipients,  
21 and prepare a report highlighting the successes, challenges, and failures of

1 each initiative at one, three, and five year intervals.

2 (B) The goal of the reports is to highlight successful work and  
3 illuminate any efforts that did not work well and explain why, and to serve as a  
4 playbook for other communities and innovators as they explore growth  
5 opportunities.

6 (g) The Secretary shall allocate up to \$100,000.00 for innovative  
7 partnerships and initiatives, including the following:

8 (1)(A) The Secretary shall allocate \$50,000.00 to the Department of  
9 Economic Development to design and implement a small business technical  
10 assistance and growth initiative designed to provide services to new and  
11 growing small businesses of 50 employees and fewer on a range of topics from  
12 marketing their business to human resources to accounting and planning.  
13 Often a small business is stranded in its growth potential by a point-in-time  
14 need or by the absence of capacity or knowledge to execute a key component  
15 of its business to enable growth.

16 (B) This acceleration project will create partnerships with  
17 professional service specialists to provide coaching and training to a small  
18 business in its specified area of need and will be done in conjunction with key  
19 partners such as Regional Development Corporations, the Vermont Small  
20 Business Development Center, the Vermont Manufacturing Extension Center,  
21 and others.

1 ~~(2)(A) The Secretary shall allocate \$25,000.00 to design and implement~~  
2 ~~a partnership initiative with capital providers, including Milk Money.~~

3 ~~(B) This partnership will create a “money map” that guides~~  
4 ~~entrepreneurs and small businesses to strategies for and sources of capital at~~  
5 ~~various stages of their evolution and development—assisting them to connect~~  
6 ~~to critical sources of capital at crucial times of growth.~~

7 ~~(C) The “money map” will be an interactive online resource.~~

8 ~~(3) The Secretary shall allocate \$25,000.00 to the Vermont Chamber of~~  
9 ~~Commerce to continue to develop the Vermont aerospace sector and associated~~  
10 ~~supply chain throughout the State.~~

11 Sec. 2. EFFECTIVE DATE

12 ~~This act shall take effect on July 1, 2018.~~

*Sec. 1. THINKVERMONT INNOVATION INITIATIVE*

*(a) Purpose.*

*(1) The ThinkVermont Innovation Initiative is created to respond to the growth needs of Vermont small businesses with 20 or fewer employees by funding innovative strategies that accelerate small business growth and meet the project criteria specified in this section.*

*(2) The Initiative shall enable the State to invest in projects with grants that can be accessed more quickly and with fewer restrictions than traditional federal initiatives.*

(b) Process; grant distribution.

(1) The Secretary of Commerce and Community Development, in consultation with the Vermont Economic Progress Council shall:

(A) adopt a schedule and process for accepting, reviewing, and approving grant proposals on a competitive basis;

(B) distribute grants across geographic areas of the State; and

(C) distribute grants across diverse industries, sectors, and business types, including for-profit and nonprofit organizations.

(2)(A) A grant shall provide funding in only one fiscal year.

(B) A recipient shall be eligible for a grant through the Initiative in not more than two fiscal years.

(c) Funding; matching requirements.

(1) The Secretary shall reserve not less than 10 percent of the funding through the Initiative for microgrants of not more than \$10,000.00.

(2) The Secretary shall require a grant recipient to provide matching funds for a grant as follows:

(A) for a microgrant reserved under subdivision (3) of this subsection, a funding match of 25 percent of the value of the grant; and

(B) for all other grants, a funding match of 100 percent of the value of the grant.

(d) Eligibility criteria. To be eligible for a grant, a project shall:

(1) provide workforce training that is not eligible for funding through another State or federal program and that serves an immediate employer need to fill one or more job vacancies;

(2) enable a business to attract, retain, or support remote workers in Vermont;

(3) establish or enhance a facility that attracts small companies or remote workers, or both, including generator and maker spaces, co-working spaces, remote work hubs, and innovation spaces, with special emphasis on facilities that promote colocation of nonprofit, for-profit, and government entities;

(4) enable or support deployment of broadband telecommunications connectivity;

(5) leverage economic development funding outside State government, including the federal New Market Tax Credit program and Small Business Innovation Research grants;

(6) support growth in Vermont's aerospace, aviation, or aviation technology sectors; or

(7) provide technical assistance to support small business growth.

(e) Outcomes; measures. The Secretary shall adopt measures to evaluate a grant to determine its impact, including job growth measured at one-, three-, and five-year intervals.

(f) Appropriation. In fiscal year 2019, the amount of \$400,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to implement the ThinkVermont Innovation Initiative pursuant to this section.

*Sec. 2. EFFECTIVE DATE*

*This act shall take effect on July 1, 2018.*