



**Vermont Economic Progress Council**

Agency of Commerce and Community Development  
6<sup>th</sup> Floor, Deane C. Davis State Office Building  
1 National Life Drive, Montpelier, VT 05620-0501

Tuesday, October 20, 2020

Dear Chairwoman Cummings and Members of the Joint Fiscal Committee:

In accordance with 32 V.S.A. § 3326 (b) the Vermont Economic Progress Council (VEPC) must present the Joint Fiscal Committee recommendations for any changes to cost benefit model that determines the value of the incentive payments for the Vermont Economic Growth Incentive program and only makes updates if approval is given at a meeting of that committee.

These updates typically happen on an annual basis, in sync with the underlying Vermont REMI model, which is a core component of the VEGI Cost-Benefit Model, however, there is no requirement in statute for utilizing the most recent REMI model. If/when VEPC does seek changes, we are required, of course, to get approval for those changes from the Joint Fiscal Committee. We work with the Legislative Economist to assist us in making those recommendations.

This year, VEPC, in consultation with the Legislative Economist, proposes to maintain the same model for use in 2020 as it used in 2019 for three reasons related to the pandemic:

- 1) The Agency of Commerce and Community Development has rolled out several programs this year in urgent response to the COVID 19 pandemic that have required the prioritization of significant staff time and we have been unable to dedicate enough time to the model update that we need in order to ensure that the changes are appropriate;
- 2) The economic and fiscal changes that feed the model would have been based on changes taking place prior to the COVID pandemic and its large impacts, so could be inappropriate to current conditions; and
- 3) Very few applications are likely to be submitted and processed this year, due to the pandemic.



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We expect to update the model next year with the significant economic changes that are currently taking place and will look to provide a recommendation on any proposed changes for your approval at that time.

Thank you,

A handwritten signature in black ink that reads "Megan Sullivan". The signature is written in a cursive, flowing style.

**Megan Sullivan**

Executive Director  
Vermont Economic Progress Council  
Vermont Agency of Commerce & Community Development  
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