

Motion:

I move to accept the following proposal from the administration, titled "Revised Proposal #6", as submitted below on December 10, 2020. The proposal below supersedes the previously submitted Proposal #6, submitted on December 7 and available at <https://ljfo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2020-12-09/f08e6fa964/CRF-Reallocation-Requests-Summary-12-7-2020.pdf>.

## REVISED PROPOSAL # 6

**TO:** Adam Greshin, Commissioner, Department of Finance and Management

**FROM:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development, Craig Bolio, Commissioner, Department of Taxes

**DATE:** Wednesday, December 9, 2020

**SUBJECT:** Increased funding for Expanded Economic Development Grants

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**Total Amount Requested: \$13,200,000.** The Agency of Commerce and Community Development (ACCD) and the Department of Taxes (TAX) requests an additional \$13.2 million to fund Expanded Economic Development Grants unmet need requests for businesses not included in the Accommodations and Food Services sectors (per NAICS).

**Response to the Pandemic:** TAX and ACCD are requesting the Joint Fiscal Committee approve additional grant dollars with urgency as businesses continue to experience additional revenue declines. To meet a grant distribution deadline of December 30th, ACCD and TAX will need at least one week to calculate a proration factor and disburse payments for all grant applicants.

**Proposed Use of Reallocation:** ACCD and TAX will soon disburse grant awards to all applicants in the Accommodations and Food Service sectors (per NAICS) at 100% of their calculated unmet need, up to \$300,000 less previous ACCD/TAX grant awards. Based on remaining grant fund amounts, current proration factor calculations estimate that all other applicants will receive 33% of their unmet need – for an average grant award of \$37,403.<sup>1</sup> An additional investment of \$13,200,000 in this program will allow the Agency of Commerce and the Department of Taxes to increase the proration factor to 42% for all other sector applicants, and increase average grant award amounts by approximately \$6,519 for an estimated average grant amount of \$43,922.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** The Federal CARES Act and U.S. Department of Treasury guidance specifically allow “(1) Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.”<sup>2</sup>

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<sup>1</sup> These noted figures are good-faith estimates. Tax and ACCD continue to process applications which will result in fluctuations in these amounts before they become final.

<sup>2</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>