



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Daniel Dickerson, Fiscal Analyst
Date: November 20, 2015
Subject: Grant Request #2797, #2798, #2800

Enclosed please find three (3) items that the Joint Fiscal Office has received from the administration.

JFO #2797 – \$30,000 grant from Alzheimer’s Association to the Vermont Department of Health. The grant funds will be used to incorporate a cognitive module as an optional module as part of the 2016 Vermont Behavioral Risk Factor Surveillance System survey (BRFSS).
[JFO received 11/18/15]

JFO #2798 – \$167,137 grant from the U.S. Department of Justice to the Vermont Department of Public Safety. The grant funds will be used for two separate projects. The first is a Special Emphasis project to boost the sharing of law enforcement administrative records for research purposes with a focus on law enforcement data accessibility and dissemination. The second is a Core Capacity project to assist in building law enforcement data capacity for evidence-based policing and to improve the quality of criminal history data for evidence-based policy analysis.
[JFO received 11/18/15]

JFO #2800 – \$386,325 grant from the U.S. Department of Defense (DOD) to the Vermont Department of Economic Development. The grant funds will be used over two State fiscal years to conduct an assessment of the impact of decreasing federal defense budgets on businesses in Vermont that deal directly and/or indirectly with the DOD and to help those businesses diversify, innovate and train employees in order to overcome adverse impacts.
[JFO received 11/19/15]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by December 4, 2015 we will assume that you agree to consider as final the Governor’s acceptance of these requests.



JFO 2800

RECEIVED

Agency of Administration
NOV 19 2015

JOINT FISCAL OFFICE

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

[phone] 802-828-2376
 [fax] 802-828-2428

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary: The purpose of this grant is to conduct an assessment of the impact of decreasing federal defense budgets on businesses in Vermont that either contract directly with DOD or are subcontractors or elsewhere in the supply chain. Once the assessment is complete DED will work to help those businesses diversify revenue sources, innovate, and train employees on new products.

Date: 11/9/2015

Department: ACCD Department of Economic Development

Legal Title of Grant: Economic Adjustment for State Governments

Federal Catalog #: 12.617

Grant/Donor Name and Address: Department of Defense, Office of Economic Adjustment, 2231 Crystal Drive, Suite 520, Arlington, VA 22202

Grant Period: From: 10/1/2015 To: 3/31/2017

Grant/Donation \$386,325

	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$129,775	\$256,550	\$	\$386,325	

Position Information:	# Positions	Explanation/Comments
	0	

Additional Comments:

Has Vantage budget detail been reviewed and reconciled? Yes No HC (Analyst Initial)

Department of Finance & Management	BHT	(Initial)
Secretary of Administration	Re	(Initial)
Sent To Joint Fiscal Office	HTJ	Date 11/18/15

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:		Commerce & Community Development		
2. Department:		Economic Development		
3. Program:		Business Support		
4. Legal Title of Grant:		Economic Adjustment for State Governments		
5. Federal Catalog #:		12.617		
6. Grant/Donor Name and Address: Department of Defense, Office of Economic Adjustment, 2231 Crystal Drive Suite 520, Arlington, VA 22202				
7. Grant Period:		From: 10/1/2015	To: 3/31/2017	
8. Purpose of Grant: Diversification by VT companies that rely on Dept of Defense contracts.				
9. Impact on existing program if grant is not Accepted: Limits ACCD ability to develop initiatives that will support diversification by VT companies that rely on Dept of Defense contracts and that may be affected by reductions in Dept of Defense spending.				
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2016	FY 2017	FY	
Personal Services	\$150,270	\$306,540	\$	
Operating Expenses	\$4,880	\$9,764	\$	
Grants	\$	\$	\$	
Total	\$155,150	\$316,304	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$29,375	\$59,754	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$128,775	\$256,550	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$	\$	\$	
Appropriation No:	7120010000		Amount:	\$386,325
				\$
				\$
				\$
				\$
				\$
				\$
			Total	\$

NOV - 3 2015

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

Has current fiscal year budget detail been entered into Vantage? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
PERSONAL SERVICE INFORMATION		
11. Will monies from this grant be used to fund one or more Personal Service Contracts? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy. Appointing Authority Name: Joan Goldstein Agreed by: <u><i>JG</i></u> 10/30/15 (initial)		
12. Limited Service Position Information:	# Positions	Title
Total Positions		
12a. Equipment and space for these positions:		<input checked="" type="checkbox"/> Is presently available. <input type="checkbox"/> Can be obtained with available funds.
13. DEPARTMENT		
I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):	Signature: <u><i>Joan Goldstein</i></u>	Date: <u>10/31/15</u>
	Title: Commissioner, Economic Development	
	Signature: <u><i>Patricia M. ...</i></u>	Date: <u>11/2/15</u>
	Title: Secretary, Commerce & Community Development	
14. SECRETARY OF ADMINISTRATION		
<input checked="" type="checkbox"/> Approved:	(Secretary or designee signature) <u><i>[Signature]</i></u>	Date: <u>11/12/15</u>
15. ACTION BY GOVERNOR		
<input checked="" type="checkbox"/> Check One Box: Accepted	(Governor's signature) <u><i>[Signature]</i></u>	Date: <u>11/17/15</u>
<input type="checkbox"/> Rejected		
16. DOCUMENTATION REQUIRED		
Required GRANT Documentation		
<input checked="" type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input checked="" type="checkbox"/> Notice of Award <input checked="" type="checkbox"/> Grant Agreement <input checked="" type="checkbox"/> Grant Budget	<input type="checkbox"/> Notice of Donation (if any) <input type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-1PN attached (if applicable)	
End Form AA-1		
(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).		



Department of Economic Development
Agency of Commerce and Community Development

To: Heather Campbell, Dept. of Finance and Management
CC: Claudia Clark, Lucy Leriche
From: Joan Goldstein, Commissioner, Dept. of Economic Development, ACCD
Re: Dept. of Defense, Office of Economic Adjustment, Grant 10/1/2015
Date: October, 27, 2015

Enclosed please find an AA-1 Form for a grant of \$386,325 from the Office of Economic Adjustment, US Department of Defense. The Department of Economic Development will conduct an assessment of the impact of decreasing federal defense budgets on businesses in Vermont that either contract directly with DOD or are subcontractors or elsewhere in the supply chain. Once the assessment is complete we will work to help those businesses diversify revenue sources, innovate, and train employees on new products.

I have enclosed the following:

- Notice of Award
- Grant agreement
- Grant Budget and Timeline

Please let me know if you need any additional information.

Thank you.

J.G.

A handwritten signature in black ink, consisting of a stylized, cursive 'J' followed by a 'G'.

FAIN: HQ00051510055
OEA Locator: ST1530-15-01
State of Vermont (DIA)

Ms. Joan Goldstein
Commissioner
Vermont Department of Housing and Community Affairs
1 National Life Drive, Davis Building, 6th Floor
Montpelier, VT 05620-0501

Dear Mrs. Goldstein:

I am pleased to inform you that I have approved the request for \$386,325 of Department of Defense Community Planning Assistance Funds to carry out a community economic adjustment program in the State of Vermont. If the provisions of the enclosed Agreement are acceptable, please sign the document online.

Standard Form (SF) 270, "Request for Advance or Reimbursement," is used to request Grant funds. The first request for payment may be submitted electronically once you have signed the Agreement. The SF 425, "Federal Financial Report," is used to report final outlays and obligations for the entire Grant period and must be submitted to close out the Grant. The final SF 425 to report total outlays and obligations for the entire Grant period must be submitted to close out the Grant.

This Grant has been assigned the Federal Award Identifier Number (FAIN) HQ00051510055. Please use this number for reporting subaward and executive compensation information into the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) as required. Please use the OEA locator on all OEA correspondence.

You may direct questions regarding this award to your OEA Project Manager, Ms. Margit Myers, at (703) 697-2119 or margit.a.myers.civ@mail.mil. We look forward to working with you.

Sincerely,

Patrick O'Brien 9/16/2015 1:35:14 PM
Patrick J. O'Brien
Director
Office of Economic Adjustment

Enclosure:
As stated

cc:
Ms. Kiersten Bourgeois

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. 12.617	Investment Assistance for State	\$	\$	386325	88129	\$ 474454
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 386325	\$ 88129	\$ 474454

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)	
	(1) Federal	(2) Non-Federal	(3)	(4)		
a. Personnel	\$ 46739	\$ 58881	\$	\$	\$ 105620	
b. Fringe Benefits	24942	29248			54190	
c. Travel	14644				14644	
d. Equipment					0	
e. Supplies					0	
f. Contractual	300000				300000	
g. Construction					0	
h. Other	12179				0	
i. Total Direct Charges (sum of 6a-6h)	386325	88129	0.00	0.00	474454	
j. Indirect Charges					0	
k. TOTALS (sum of 6i and 6j)	\$ 386325	\$ 88129	\$ 0.00	\$ 0.00	\$ 474454	

7. Program Income	\$	\$	\$	\$	\$ 0.00
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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. Economic Adjustment Assistance for State Governments	\$ 88129	\$	\$	\$ 0.00	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 88129	\$	\$	\$ 0.00	
SECTION D - FORECASTED CASH NEEDS					
13. Federal	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	\$ 0.00	\$	\$	\$	\$
14. Non-Federal	0.00				
15. TOTAL (sum of lines 13 and 14)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16. Economic Adjustment Assistance for State Governments	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges:			22. Indirect Charges:		
23. Remarks:					

Project Abstract
State of Vermont
Application for Funding

The State of Vermont is seeking assistance to support the growth of its existing business community through diversification efforts associated with companies' reliance on the defense sector. As a small state, we must pursue opportunities that enhance our economy. While we are fortunate to be home to a significant number of companies that provide products/services to the defense sector, we need to ensure that their success continues beyond this particular customer base.

In order to accomplish this, we will be organizing a formal program that will ensure oversight of this effort and, specifically, will allow the Agency of Commerce to clearly analyze the needs and opportunities and provide new programs for diversification. New educational opportunities will include assistance with exporting/finding international partners, delivering targeted assistance for those interested in tackling the domestic commercial market and more.

A formal approach to promotion of diversification will ensure that our existing business community can nimbly adapt to an ever-changing economy – whether the result of sequestration; defense cuts or other measures that negatively impact our business community. Additionally, Vermont is home to several HUBZones which provide increased opportunity for defense-reliant companies. Located in our most rural parts of Vermont, preserving these jobs are of paramount importance.

Part I – Program Narrative

Purpose:

The Vermont Agency of Commerce & Community Development is requesting Economic Adjustment Assistance under CFDA 12.617 to develop initiatives that will support diversification by Vermont companies that rely on Department of Defense contracts and that may be affected by reductions in Department of Defense spending. These funds are for the sole purposes of responding to Defense related activities in the State of Vermont, and any businesses, workers, or communities. Ultimately, funds requested through this grant will be used to enhance the capacity of the State of Vermont, and its businesses, workers, industries, and communities to respond to defense related downsizing activities.

The Agency is comprised of the Vermont Department of Economic Development, the Vermont Department of Housing and Community Development and the Department of Tourism, as well as separate Agency staff. Agency staff will work most closely with the Department of Economic Development and its partners to implement this program.

Our initial work will involve assessment and inventory of Vermont's defense sector and more specifically, how recent announcements such as the imminent closure of AirBoss, recent closure announcement by Plasan Carbon Composites and Plasan North America, as well as the overall impact of defense cuts generally, affect our state's economy and workforce.

Additionally, our work will include some specific training for eligible companies to support education around exporting, export compliance and skills upgrade training.

We will also closely engage with our neighboring states to the extent practicable. In particular, we will coordinate with the State of Connecticut to participate in their regional supply chain project, CT RADE.

And finally, we have worked with our Congressional delegation in developing this proposal. Our entire team recognizes the value of this opportunity to create new market opportunities for defense-reliant companies.

Background and Need for Assistance:

Overall, defense spending has been decreasing and Vermont – whose contribution to the sector has been significant for a small state – has felt the effects of the defense cuts which have contributed to plant closures and layoffs.

Vermont defense companies provided more than \$400 million in goods and services to the United States military in 2013. Almost all of these purchases were for manufactured goods supporting approximately 3,000 Vermont workers. These purchases represent more than 4% of the manufacturing sector in the state and a similar percentage of the manufacturing workforce.

Goods procured for the United States military meet very specific needs and must adhere to strict quality standards. The expansion of Vermont businesses to meet this need has resulted in a production capacity that has the potential for expansion into a wider range of business and consumer goods. Many businesses in Vermont provide products and services to the United States military and have developed design, engineering, manufacturing, and product integration capacities that can be used to improve production of business and consumer goods. Assistance to Vermont businesses will facilitate this transition and strengthen and diversify the Vermont economy.

A company with whom ACCD has been working is Revision Military, a globally recognized manufacturer of ballistic eyewear. Originally produced for the US Army and other military users, their products are now being made available commercially and are competing with a completely different sector. Revision also purchased the assets of MSA Gallet, a helmet company that closed in Newport, VT. At this facility, they have been able to produce helmets and helmet systems not only for the United States military, but others across the globe. This is exactly the type of transition that we hope to facilitate with other Vermont companies.

However, the market for military purchases is different than the business and consumer market and Vermont businesses need to be able to succeed in other market sectors than defense-related ones.

The transition of innovation that has its roots in supplying military goods to more consumer-oriented production is a strength of the U.S. economy. Computer technology, optics, aircraft and composites development all have a history linking the initial military requirements to the country's leadership in consumer goods.

The steps in promoting the transition from military production to business and consumer goods shares many attributes with other Vermont economic development strategies as outlined in the recently completed statewide *Comprehensive Economic Development Strategy*.

Generally, those steps include:

- strengthening partnerships for technology sharing and market development,
- promoting a comprehensive financing arena to provide necessary capital at each stage of product development
- workforce training to smooth the transition that occurs with product line changes
- ensuring adequate infrastructure to allow for efficient transportation of manufacturing inputs and final products, electricity, water and sewer and the telecommunications backbone to connect Vermont businesses with ever shrinking world of global trade

Two of the ten largest defense contractors have a significant presence in Vermont: UTC Aerospace and General Dynamics. General Dynamics has been in Vermont for decades – initially as General Electric, then Martin Marietta and finally, General Dynamics – and a few years ago moved from the City of Burlington to Williston, VT. At its peak, the company employed nearly 1,000 in Vermont. Today, that number is approximately 250. UTC Aerospace, located in Vergennes, employs about 800.

The defense industry is important in all corners of our small state. The northwestern region – generally, the Burlington area – is home to GD and UTC Aerospace. Our Northeast Kingdom of Vermont – also a REAP Zone and home to several HUBZones as well – is peppered with small companies that supply the defense sector. Last year, Kennametal announced their closure which affected nearly 100 employees. The company also supported the defense sector. And our southwest corner of Vermont was once home to two divisions of Plasan – which in total employed over 200. Kaman still maintains a presence in that area, as do smaller suppliers.

Here is just a snapshot of companies that are part of our defense supply chain:

Defense Company	Product/Service	Customer(s)
Ascension Technology	R&D	Air Force, DCMA
ArrowTech Consultants	Software	Air Force, Navy
Barer Engineering	Scale and balance manufacturing, milling machines	Air Force, Navy, DLA
General Dynamics OTS	Small arms, ordnance, etc.	DLA, Navy
UTC Aerospace/Simmonds	Aircraft Parts	DCMA, Navy
Aadco, Inc	Surgical equipment	Navy
BioTek	Lab equipment and testing	Navy, Army, Tricare
Carris Reels	Spools, reels, containers	DLA
Concepts NREC	Aircraft maintenance and repair shop specialized equipment	DCMA, Navy
Century Arms	Small arms	Army
Woodland Tool	Aircraft maintenance, bolts for guided missile components	Navy
Preci-Manufacturing	Bolts, screws	DLA, Navy
Revision Eyewear	Ballistic eyewear	DLA

Vermont Aerospace	Small arms	DLA
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Although small in size compared to our neighbors, the aerospace and defense sector plays an important role in our economy. As mentioned previously, Vermont provided \$400million in goods and services to the defense sector in 2013. The nearly 3000 (and another 1500 indirect) employees represent companies all over Vermont and the total payroll in 2010 exceeded \$200million – which contributed nearly 4% of our state’s Gross Domestic Product. At this point in FY 2015, total DoD awards to Vermont companies total \$54million and includes 938 transactions (usaspending.gov)

The gradual loss of defense-related jobs has been, unfortunately, steady. The departure of AirBoss, Plasan North America and Plasan from Vermont, the decrease in employment of General Dynamics and temporary layoffs at Revision have impacted our business community.

Existing Partnerships and Programs to Support the Diversification Effort

Vermont has programs to assist growing businesses and it is our goal to leverage the support from this federal grant opportunity by increasing the number of businesses eligible for our Vermont Employment Growth Initiative (VEGI) Program; our myriad of financing programs and workforce development assistance.

Vermont is a national leader in EPSCoR as a mechanism to encourage the commercialization of research findings. Funds from this proposal will be used to strengthen the ties between Vermont’s universities and the manufacturing firms that may be able to take advantage of new technologies.

We also have a very strong economic development technical assistance network. In particular, there are two organizations that work specifically with companies seeking defense contracts – and we will not be overlapping services. The first, our Procurement Technical Assistance Center, funded largely by DLA, helps Vermont businesses access federal, state, municipal and institutional contracts through the provision of one-on-one business counseling and sets them up in programs such as SAM in order to receive information about bids and possible contracts.

The PTAC team also sponsors matchmaking programs to help Vermont companies connect with prime contractors, federal government contacts and others. PTAC has staff throughout Vermont which are funded in part by our Small Business Development Center (via SBA). Again, this work is primarily focused on assisting Vermont companies access contracts at the federal, state, municipal and institutional level. Additionally, PTAC makes available a bid board that lists all open contracts.

There is no focus on this time on companies seeking to diversify their markets from defense contracts; this funding will allow us to create a comprehensive program for providing this expertise.

We have also begun conversations with the Connecticut Center for Advanced Technology around Vermont’s participation in their CT RADE tool, which will allow our companies to benefit from the information, data and other resources that will be made available. We also have joined the team’s Kitchen Cabinet, the New England wide group that Connecticut assembled to facilitate discussions around policies, legislation and more.

Goals and Objectives

With this application, the Vermont Agency of Commerce and Community Development is requesting financial assistance from the Department of Defense Office of Economic Adjustment. We anticipate that accomplishing the three tasks below will take 12-18 months.

This funding will be utilized to implement and complete the following:

Task 1 – Assess Impact of Defense Industry in Vermont

The aerospace and defense sector has had an enormous impact on the Vermont economy. For a small state, we are home to many companies that presently do a significant amount of business with the US Department of Defense. We will include both goods-producing companies and service providers. This assessment will allow us to determine where to deploy resources for diversification initiatives, identify at-risk companies and also bring other economic development partners into the strategy.

Subtasks

- Work with CT RADE to ensure that Vermont data is provided to this New England-wide effort and participate in their New England-wide initiatives (specific). This participation will supplement our efforts through collaboration with New England partners. There is no other funding available to support this collaboration - it will purely be focused on the defense diversification effort.
- Identify Vermont subcontractors by county (and where appropriate, by HUBZone)
- Educate stakeholders and partners about the impact of the sector on the Vermont economy
 - Regional Development Corporations
 - Lake Champlain Chamber of Commerce
 - Vermont Chamber of Commerce
 - Vermont Aerospace and Aviation Association
 - Municipal Governments
- Identify Vermont-specific assets that will assist diversification efforts for affected companies
- Create supply chain map consisting of Vermont companies with inclusion of out of state suppliers as well.

Deliverables and Outcomes

- Representation of Vermont in CT RADE tool and inclusion of VT companies in the economic modeling module of the Commons
- Complete regional asset map and make available online
- Complete supply chain mapping exercise
- Establish the Vermont Defense Diversification Alliance to lead this effort. It is expected that this Alliance will serve as a steering committee and sounding board for this initiative; we have excellent relationships with our federal partners, existing business community and economic development stakeholders – all of whom can bring a different level of expertise to the table with

the shared goal of advancing this initiative. Only staff time will be paid by OEA funding. This is not a separate contractual element of this initiative.

Task 2 –Strategic Workforce Development Assessment and Planning

Vermonters are known for their innovation and work ethic. As we work with Vermont defense companies to explore other markets, we need to make sure that our world-class workforce has the necessary skills to adapt. Additionally, we need to ensure that our companies are able to earn proper certifications that may be required to diversify their markets.

Subtasks

- Inventory and analyze skills **sets and areas of expertise specific to defense manufacturing** to inform workforce development needs
- **Conduct asset mapping exercise to understand availability of existing and potential** workforce training opportunities at the local, state and federal levels to confirm funding sources that are already available. This will include financing and technical assistance programs.
- Develop, in conjunction with existing partners, an entrepreneurial “track” to encourage innovation for Vermont defense companies. Activities may include, but are not limited to, seminars targeted specifically at the defense sector; development of new training opportunities and more.

Deliverables and Outcomes

- Report on workforce development (SWOT) of defense sector with recommendations
- Develop specific training plans for companies seeking to diversify from defense, including innovation/entrepreneurial strategies.

Task 3 – Enhance Business-to-Business and Export Opportunities for Defense Businesses

Presently, we have a strong technical assistance network comprised of private and public sector professionals. This team works to provide one-on-one assistance to companies and also develops/implements educational, technical and other specific programs.

Vermont is geographically situated very near Quebec and our strategic location fosters unique opportunities for its business community. Specifically, we have engaged with our counterparts in Quebec, in partnership with our regional teams, to identify opportunities for increased cross-border trade and specific export opportunities.

Subtasks:

- Expand COREX Trade Corridor participation to provide greater defense business-to-business opportunities with Quebec-based companies. This activity will not supplant efforts that are already underway; a specific program needs to be developed for defense sector participants.
- Work with regional partners, including Connecticut’s RADE team, to further develop educational, face-to-face and other opportunities for Vermont defense businesses.

- Create export/international assistance program specifically focused on defense companies that seek diversification opportunities

Deliverables:

- Implement programs for specific defense diversification efforts related to export readiness and export compliance.
 - ISO Certification Training
 - CE Mark Training
 - Export Compliance Training
- Promotion and utilization of available defense business-to-business opportunities by Vermont defense companies, specifically, the Quebec Trade Corridor initiatives and New England regional activities.

Overall Target Metrics and Outputs – these numbers may change following our assessment work. The purpose of the first task is to quantify the number of defense-dependent companies:

- Number of trainings:
 - We anticipate holding at least **three** trainings, as detailed above in Task Three
- Number of defense companies (again, numbers may change based on actual inventory data)
 - **100%** - Made aware of initiative following data collection. It is important to get the word out to every company that qualifies
 - **At least 50%** - Participate in Diversification Activity
- Number of defense workers trained (for entrepreneurial activity) – again, will be based on actual inventory/assessment data, but we anticipate **that 25% of eligible companies** will participate in such an opportunity

Expected outcomes/quantified impact – this may change based on actual assessment data collected

- Jobs created or retained – our goal is to enhance employment through this initiative by **5-10%**, however, given the short timeframe of this grant, it may be challenging to meet this.
- Sales created or retained – our goal is to increase sales for participating companies. We will aim for **5%** increase

Project Timeline

October 1, 2015 – Award made to Vermont

October 15 – November 15 – RFP Development for Task 1 and Task 2

November 20 – RFPs sent out

December 20 – RFP for Task One returned

December 20, RFP for Task Two returned

January 1, 2016 – contractors selected

February 1, 2016 - contracts signed

April 15, 2016 – Task One deliverables due

April 15, 2016 – Task Two deliverables due

June 30 2016 – Data analysis/Follow-up meetings as necessary

July 15, 2016 – February 2016 Design, market and implement diversification programs

Diversify Marekts/International

Workforce Skills diversification

March-April 2017 – Grant reports/final deliverables.