



Agency of Commerce and Community Development Worker Relocation Incentive Program Interim Report

The Worker Relocation Incentive Program is managed by the Agency of Commerce and Community Development's Department of Economic Development. The program provides reimbursement grants to incent out of state workers to relocate to Vermont by helping to offset the worker's cost of relocation. The new residents grow the population while supporting Vermont employers who are unable to fill their open positions. The program is also intended to help Vermonters by increasing the population of taxpayers in communities.



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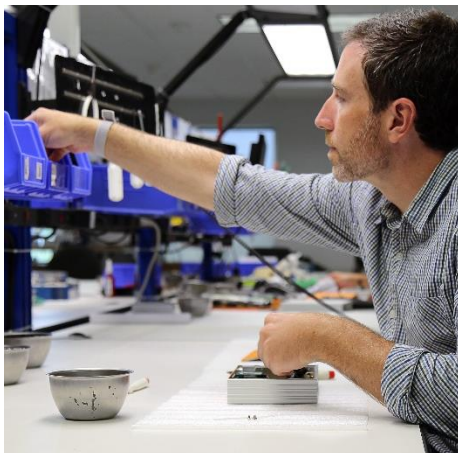
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Executive Summary

The Worker Relocation Incentive Program was created by Legislature as part of Act 183 (2022), which was signed into law by Governor Philip Scott on June 8, 2022. The legislation tasked the Agency of Commerce and Community Development (ACCD) with the creation and implementation of the program, which builds upon previous iterations of the Remote Worker (2018), New Worker (2019), and Worker Relocation (2020) Grant Programs.

This incentive program is intended to attract workers, and their families, who are contemplating moving to Vermont. It aims to incent workers to relocate to Vermont and fill a position with a Vermont employer or incent remote workers of out-of-state employers to make the move. These workers grow the workforce and support Vermont's employers who are struggling to find workers by providing a recruiting tool. Contingent on available funding, a relocated worker may receive a reimbursement grant for moving expenses of up to \$7,500.

The current program expanded upon previous iterations to better serve Vermont employers of all sizes, in every region, and across all sectors by removing occupational limitations that were included in previous legislation. The current program also allows applicants who have secured employment to secure funding before relocating.



Implementation

Media awareness of Vermont's relocation programs began with the passage of Act 197 in 2018 and continued with the passage of Act 80 in 2019, Act 51 in 2021, and it has continued with passage of Act 183 in 2022. The initiatives have interested people from across the country, and around the world. ACCD consistently receives program inquiries. In addition to the increase in direct contact with the Agency, website traffic on ThinkVermont.com has skyrocketed with thousands of visits to the program page which also brings potential workers to view current Vermont job openings. In addition to interest from applicants, state, county, and municipal officials from other regions have inquired about Vermont's innovative approach to tackle workforce shortages and population declines. Since Vermont launched its first relocation program, many other regions have created relocation grant programs as a means to attract workers and counter workforce and population challenges.

ACCD is two months into the fourth relocation program, interest is stronger than ever among potential new workers and Vermont employers alike. Vermont businesses are increasingly opting to use the grant program as a recruitment tool when it comes to expanding their search outside of Vermont to fill staffing vacancies.

Between the passage of Act 183 in June 2022 and the program launch November 9, 2022, program development by ACCD staff included creating web content, program guidelines, Frequently Asked Questions, and development of the web-based grant application portal. ACCD staff implemented procedures for administering the program that includes accepting and reviewing applications; applicant and employer notifications, status updates; collecting IRS Form W-9s and applicant surveys; issuing awards; file maintenance and record retention.



Outcomes as of January 9, 2023

Totals

Between November 9, 2022, and January 9, 2023, ACCD awarded \$357,229 to 64 new Vermont workers. Grants ranged from \$1,921 to \$7,500; the average grant awarded was \$5,581. The grant program page received 22,157 visits from 11/9/2022 to 1/9/2023.

The average grant awarded
\$5,581



22,157

Program Page Visits
 Since Launch



64

Grants Awarded to Date



\$357,229

Funds Awarded to Date

Grantees brought with them an additional 101 household members (including 45 children), for a total of 165 new Vermonters.

165
 New Vermonters including grantees and additional family members.



2

Average Household
 Size



99

Additional Workers
 Preapproved Prior to
 Relocation



\$742,500

Funds Preapproved to
 Date

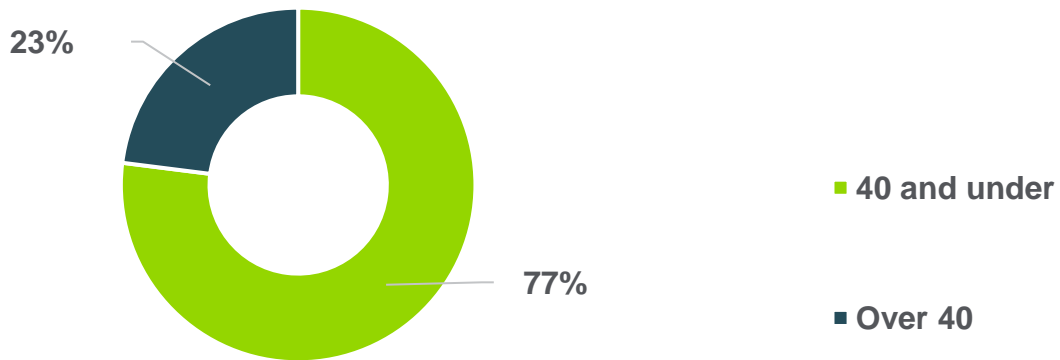


Demographics

AGE

Of the new Vermont Worker and Remote Worker grantees awarded to date, 77% are under the age of 40. The average age for grantees upon relocation was 36 years.

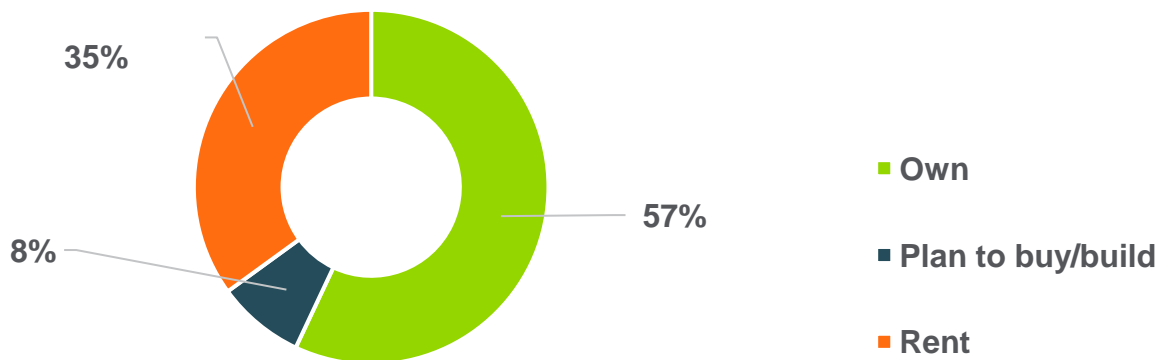
Grantee Age Distribution



HOUSEHOLD

Of those surveyed, 65% have already purchased a home or are in the market to purchase a home. The average household size includes 2 people, and the average household income was reported to be over \$132,798 a year.

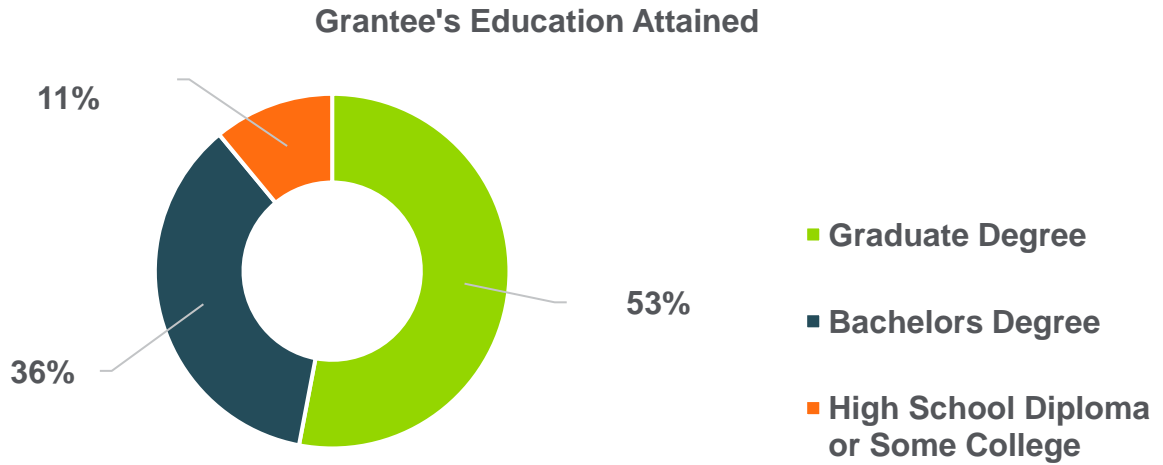
Household Information





EDUCATION

89% of the grantees have attained a bachelor's or graduate degree.





Motivations

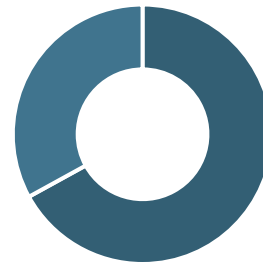
When grantees were asked which factors attracted them to move to Vermont, this is what they shared:

28%
of grantees have no previous Vermont Experience.



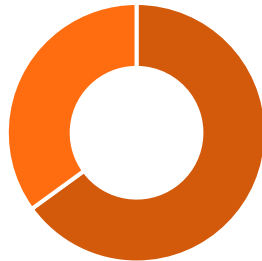
84%

Access to Outdoor Recreation



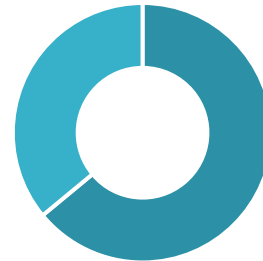
67%

Safe Place to Live & Raise a Family



65%

Small, Vibrant Communities



64%

Progressive Culture



59%

Climate Change



37%

Friends & Family Live in VT



31%
Job Offer



21%
Quality Education

Other motivating factors for choosing to move to Vermont included Vermont's churches and maple syrup.



Preapproved To Date



99

Workers Preapproved to Receive an Award Upon Relocation



\$742,500

Funds Encumbered for Preapproved Applicants



\$7,500

Amount Encumbered – Actual Amount Awarded may be Reduced Based on Eligibility

Vermont Employers with Newly Relocated Workers

- ▶ Vermont Vocational Services
- ▶ Northwestern Counseling & Support Services, Inc.
- ▶ Enosburg Falls Middle-High School (Franklin Northeast Supervisory Union)
- ▶ Howard Center
- ▶ Shelburne Farms
- ▶ GAT Airline Ground Support
- ▶ Agri-Mark, Inc.
- ▶ Lamoille County Mental Health Services
- ▶ Green Mountain Behavior Consulting
- ▶ Community Health Centers of Burlington
- ▶ Northeast Kingdom Preschool & Childcare
- ▶ Maitri Health Care for Women
- ▶ University of Vermont



- ▶ Flood Financial Services
- ▶ The McKernon Group, Inc.
- ▶ University of Vermont
- ▶ Poulin Building Materials
- ▶ Northern Counties Health Care
- ▶ The Community College of Vermont
- ▶ City of Essex Junction
- ▶ Springfield School District
- ▶ Kingdom Trail Association
- ▶ Burlington High School
- ▶ Community Health Centers of Burlington
- ▶ Twinfield Union School District
- ▶ Heritage Family Credit Union
- ▶ Beta Technologies
- ▶ Vermont Office of the Defender General
- ▶ Randolph Elementary

Grantee Occupations

- ▶ Accounting Manager
- ▶ Assistant Editor
- ▶ Assistant Principal, High School
- ▶ Attorney
- ▶ BIM Specialist
- ▶ Biospecimen Operations Manager
- ▶ Business Analyst
- ▶ Certified Nurse Midwife
- ▶ Client Services Admin
- ▶ Climate Action Planning Manager
- ▶ Coordinator of Teaching and Learning
- ▶ Copywriter



- ▶ Curriculum Director
- ▶ Customer Success Team Manager
- ▶ Data Scientist
- ▶ Dentist
- ▶ Development Operations and Database Manager
- ▶ Director
- ▶ Director of Community Collaboration
- ▶ Director, Ad Ops
- ▶ Elementary School Teacher
- ▶ Enrollment Management Professional
- ▶ Family Assessment Clinician
- ▶ Field Service Engineer
- ▶ Financial Analyst
- ▶ Full Stack Web Developer
- ▶ General Manager
- ▶ Grants and Contracts Administrator
- ▶ Human Resources Director
- ▶ Lead Solutions Engineer
- ▶ Member Solutions Specialist
- ▶ Maintenance Manager
- ▶ Nurse Practitioner
- ▶ Outreach Professional Sr
- ▶ Prepress Technician
- ▶ Quality Program Manager
- ▶ Real Estate Analyst
- ▶ Sales Engineer
- ▶ School based clinician
- ▶ School Counselor
- ▶ School Librarian
- ▶ School Services Clinician
- ▶ Senior Analyst, Strategic Account Analytics
- ▶ Senior Consultant



- ▶ Senior DevOps Engineer
- ▶ Senior Digital Marketing Manager
- ▶ Senior Operations Consultant, Behavioral Health
- ▶ Senior Product Marketing Manager
- ▶ Senior Project Controls/Financial Analyst
- ▶ Shop Manager
- ▶ Software Engineer
- ▶ Software Engineering Manager
- ▶ Special Educator
- ▶ Sr HR Business Partner
- ▶ Sr. Accounting Specialist
- ▶ System Engineer
- ▶ Systems Infrastructure Engineer
- ▶ Teacher
- ▶ Territory Sales Manager
- ▶ Truck Driver
- ▶ Underwriting Assistant
- ▶ Vocational Counselor
- ▶ VP, Benefits Compliance Counsel, NFP Corp.
- ▶ Wastewater Operator



Program Guidelines

Program Eligibility

Award Amounts

Awards for qualifying expenses are subject to the following:

- Base grant may not exceed **\$5,000**, or
- Enhanced grant may not exceed **\$7,500** for those employees who become a resident in a labor market area in Vermont in which:
 - the annual unemployment rate exceeds the average annual State unemployment rate, or the average annual wage is equal or less than the average annual wage in the State.

New Relocating Worker (Filling a Vermont Job)

An eligible applicant is someone who, on or after July 1, 2021:

- Relocates to Vermont and becomes a full-time resident; and
- Becomes a full-time employee for Vermont employer at a Vermont location; and
- Is subject to Vermont income tax; and
- Wage for the position equals or exceeds the Vermont livable wage rate. Currently the livable wage rate is \$13.39 per hour. It is anticipated to be updated January 2023 in accordance with 2 V.S.A. §526.; and
- Becomes a full-time employee of a Vermont employer who attests to the Agency that, after reasonable time and effort, they were unable to fill the position from among Vermont applicants; and
- Incurred “qualified relocation expenses”.

New Remote Worker (Bringing a Remote Job)

An eligible applicant is someone who, on or after February 1, 2022:

- Relocates to Vermont and becomes a full-time resident; and
- Is employed full-time for an out-of-state employer and works remotely from a home office or co-working space located in Vermont; and
- Is subject to Vermont income tax; and
- Wage for the position equals or exceeds the Vermont livable wage rate. Currently the livable wage rate is \$13.39 per hour. It is anticipated to be updated January 2023 in accordance with 2 V.S.A. §526.; and
- Incurred “qualified relocation expenses”.



Applying for Preapproval (Optional)

If an eligible applicant is considering a relocation to Vermont and they have secured eligible employment, applicants can apply to be preapproved for up to \$7,500 prior to relocating. This will secure funding before relocating. Once the applicant relocates, they can submit their full application to verify eligibility and determine the actual amount of their award.

Preapproval Process

Applicants who wish to secure their funding prior to relocating will need to pre-apply with the below information and documentation:

- Proof of Residency outside of Vermont
 - Current address
 - Current ID
 - Current residency documentation (two):
 - Out of state housing lease or purchase contract
 - Out of state utility bill with service address
 - Out of state property tax bill
 - Out of state homeowner/renter insurance policy
- Employer Information
 - Employer Name and Address
 - Contact Person Name and Title
 - Phone Number and Email Address
- Applicant's Job Title
- Hourly Wage Rate and Start Date
- Employment confirmation: either a job offer letter from a Vermont employer or a Remote Worker Employment Verification Form.

Description of Application Process

The process starts with a visit to ThinkVermont.com for the program guidelines, information, Frequently Asked Questions (FAQs) and access to the online application portal. For both application pathways, whether applicants are applying prior to relocation or applying after they relocate to Vermont, the application includes two parts: the first for the new worker and the second for the employer. Completed applications with the requisite supporting documentation uploads are submitted via the web-based application portal and email confirmations are issued sent. Applications are received in a queue system, and they are processed first come first served upon receipt of a complete application. Applications are reviewed for program eligibility and evidence of eligible grant expenditures. Staff utilize a checklist to guide the review of each application for the following criteria:



- Program eligibility
- Proof of relocation and Vermont residency
- Relocation expense eligibility
 - Closing costs or lease deposit and one month rent for a primary residence
 - Hiring a moving company
 - Renting moving equipment
 - Shipping
 - Moving supplies
- Employer section
- Supporting documentation

Upon review of an application, the applicant receives an email. If further information is needed, the applicant will receive a list of the specific items needed to support and complete the application. If an application is determined to be complete it is moved forward for a final review. If the application is confirmed to be eligible it is changed to “approved” status and the applicant receives an electronic notification to complete a short survey which also includes tax forms W-9 and VT-8821. Once the survey is completed, the applicant receives notification that they have been approved for a grant and the exact amount awarded based on their expenses. The agreement is then issued to the grantee outlining the program reimbursement. The grantee and the appointing authority both sign the agreement and reimbursement funds are disbursed.



Recommendations

The Department of Financial Regulation contracted with PFM Group Consulting LLC to review Vermont's relocation grant programs. The study, **available at** https://dfr.vermont.gov/sites/finreg/files/doc_library/dfr-legislative-report-act51-worker-incentive-program-study.pdf, concluded that the incentive payments were re-paid through tax revenues to the State in less than two years. The findings suggest the investments in the relocation programs are cost effective and can be further leveraged to improve future outcomes.

Refine the program elements and avoid changing the eligibility frequently.

The program's eligibility and funding have changed year to year which has led to some confusion among applicants and employers who would like to use the program as a recruiting tool. Eliminating start dates and structuring the program to only award applicants who are preapproved prior to relocation would help increase financial predictability. Funding the program with enough funding to avoid running out could also provide for more program reliability for potential applicants.

Increase the funding available to support the program.

In Fiscal Year 2022, the Worker Relocation Incentive Program was appropriated \$3.093M to award New Vermont Worker and New Remote Worker Grants. Based on awards and applications initiated in the portal since the launch November 9, 2022, the program is fully subscribed. The incentives continue to garner many inquiries from those who are interested in relocating to Vermont and apply for a grant. It is anticipated that the full appropriation for the program will not be enough funding to award all eligible applications. An increase in funding could allow the program to continue and prospective applicants to rely on the availability of funding when they arrive.



APPENDIX: ACT 183 (S.11, 2022)

Relocating Employee Incentives

Sec. 47a. 10 V.S.A. § 4 is amended to read:

§ 4. NEW RELOCATING EMPLOYEE INCENTIVES

(a) The Agency of Commerce and Community Development shall design and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

(1) A base grant shall not exceed \$5,000.00.

(2) The Agency may award an enhanced grant, which shall not exceed \$7,500.00, for a relocating employee who becomes a resident in a labor market area in this State in which:

(A) the average annual unemployment rate in the labor market area exceeds the average annual unemployment rate in the State; or

(B) the average annual wage in the State exceeds the annual average wage in the labor market area.

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns;

(3) adopt procedures to initially approve an applicant for a grant after verifying a relocating employee's eligibility and to make final payment of a grant after verifying that the relocating employee has completed relocation to this State; and



(4) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) Annually, on or before January 15 the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.