

Motion:

I move to accept the following proposal from the administration, titled "Revised Proposal #1", as submitted below on December 10, 2020. The proposal below supersedes the previously submitted Proposal #1, 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 # 1

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Anson Tebbetts, Secretary, Agency of Agriculture, Food & Markets
DATE: Wednesday, December 9, 2020
SUBJECT: Request to reallocate CRF grant funds between programs

Total Amount Requested for Reallocation: \$1,750,000: The Agency of Agriculture, Food and Markets (AAFM) is seeking to reallocate CRF funds to enable AAFM to issue grants to 36 qualifying businesses that have pending applications with the existing working lands program.

Response to the Pandemic: In cooperation with ACCD and the Working Lands Enterprise Board, AAFM utilized appropriations of \$5.5M to fund a grant program for agricultural and working lands businesses to help cover pandemic-related losses incurred. Applicants were able to apply through a shared agriculture/working lands portal, with the grants subjected to distinct criteria based upon underlying eligibility requirements.

Proposed Use of Reallocation: The total \$5.5M will soon be fully expended, resulting in insufficient funds to help cover pandemic-related losses incurred by additional qualifying businesses. The request for reallocation of \$1.75M would allow 36 additional business awards of \$50,000 per business. Without the additional \$1.75M, these 36 qualifying businesses would not receive any benefit from this program, despite their pandemic-related losses, placing them at further risk of going out of business. The transfer does not represent new money and does not impact the remaining S.351 CRF funds, in both the dairy and non-dairy programs, which will revert to the State as intended.

Confirmation That Proposal Complies with CARES ACT CRF Guidelines: This request would extend a previously appropriated, vetted, and approved program to an additional 36 qualifying business. As such, AAFM believes this added request is an acceptable use of CRF funds. Further, AAFM will be able to disburse funds in accordance with the timelines required by existing U.S. Treasury guidance and the CARES Act.