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My name is Greg Kelly. I welcome the opportunity to provide brief testimony to the Senate Finance committee today. I was a small business owner in Vermont for 11 years. I am a firm believer that well paid employees provide companies a significantly better opportunity for success. My prior business, TelJet Longhaul, employed 10 people, all paid salaries a number of multiples over minimum wage.

I am currently starting a new business, to grow fresh produce indoors year-round. This business will employ 35-40 people, 80% of whom will be employed at lower wage levels. We are committed to paying a liveable wage.

Having considered four New England states to site our business, we have narrowed our search down to Albany, New York and Brattleboro, Vermont. We are a strong supporter of S.138, most particularly for the modifications to the provisions of the Vermont Employment Growth Incentive (VEGI) program.

We find that the VEGI program, if modified as proposed in S.138, would be of greater interest to companies such as ours to participate; would provide employees higher income, yet have lower incentive payouts for the State of Vermont over the period of program participation.

When the minimum wage didn't change significantly year over year, there wasn't much change to either the employer's payroll budget and the State's incentive payout under the VEGI program. While we strongly support the annual increase to the minimum wage over the next five years, we feel it no longer is in the interest of either the employer or the State to link the VEGI wage threshold to the minimum wage, but rather to a liveable wage standard. It is our contention that if the VEGI wage threshold were linked to a liveable wage standard, employers would adopt the program more readily and the VEGI program will be much more effective in assisting Vermont companies to add employees and grow their businesses.

While our decision as to whether to site our company in Vermont, or elsewhere, does not hinge solely on incentives provided by a wage incentive program, we find the annual wage threshold increases required under the current VEGI program due to the minimum wage increases, negates the value of the incentive originally intended by the program and does not provide any inducement to locate a company in Vermont.

I thank you for your time and consideration today.

Greg Kelly