



VEOC

Vermont Employee Ownership Center

P.O. Box 546, Burlington, VT 05402

802-338-7448

info@veoc.org

February 13, 2020

Chairman Michael Marcotte
House Committee on Commerce and Economic Development
State House
Montpelier, VT 05602

Dear Chairman Marcotte and Committee Members,

Thank you for giving the Vermont Employee Ownership Center (VEOC) the opportunity to be heard by the Committee. Our testimony includes an in-person presentation with supporting written information included here, and this letter. Our testimony and the written information detail the value that employee-owned businesses bring to Vermont's workforce and economic development efforts. With this letter, we seek the Committee's support for expanded financial support from the Agency of Commerce and Community Development for VEOC's initiatives.

VEOC was founded in 2001 by a coalition of stakeholders from Vermont's economic development and employee ownership communities. Funding between that time and 2006 came primarily from HUD and SBA. 2007 marks the first year of funding from Vermont ACCD. In 2015, that annual funding was increased to its current level of \$69,660. VEOC is requesting that this amount be increased to \$100,000. This letter details why increased support is justified.

Between 2014 and 2019, VEOC was staffed by two individuals, making up 1.5 FTEs, who worked remotely. In 2019, the Board authorized a deficit budget which added another half-time staffer (bringing the total to 2 FTEs) in order to capitalize on the "Silver Tsunami" of Baby Boomer retirements by helping retiring owners transition their companies to employee ownership, keeping these businesses thriving in Vermont. The requested increased funding would put that expanded capacity on a sustainable basis, enabling:

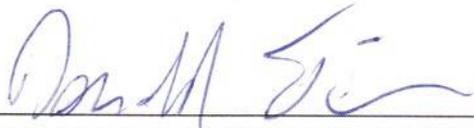
- Increased marketing and media engagement to raise the profile of employee-ownership exit options, opportunities, and resources.
- Deeper and more extensive outreach and education to Vermont organizations and business advisors to reach their constituencies and clients with information about EO options.
- Increased focus on specific sectors and strategies, such as child care & early education, value-added agriculture, rural small businesses, and entrepreneurship and start-up activities.

- Developing a database of Vermont companies that are good prospects for an EO exit, allowing for a tailored approach to outreach.
- Increasing student engagement: Summer internship expanded into a year-round internship program, advising professors and providing class presentations, etc.
- Leveraging of these funds to secure additional financial support from other sources.

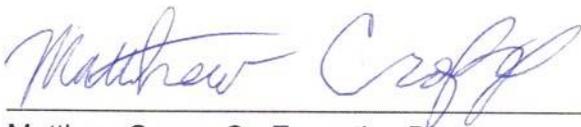
Additionally, we have submitted for your review the documents listed below.

Thank you very much for your serious consideration of our request. We look forward to our continued collaboration with the State in economic development work that facilitates broad-based prosperity for Vermonters!

Sincerely,



Don Jamison, Co-Executive Director



Matthew Cropp, Co-Executive Director

Attachments:

- "Growing Employee Ownership to Advance Vermont's Economic Development Goals"
- VEOC's 2019 annual report to the community
- VEOC's organizational brochure