

**Commissioner Lisa Gosselin**  
**Department of Economic Development**  
**Testimony before the House Commerce & Economic Development Committee**

**January 8, 2014**

Good Morning. My name is Lisa Gosselin and I serve as the Commissioner of the Department of Economic Development. It is an honor to be here and to serve the state.

I joined the department of economic development in September 2013, as the first dedicated commissioner in several years. The department has been under the careful stewardship of first, Deputy Commissioner Pat Moulton Powden and then Deputy Commissioner Lucy Leriche, who remains a tremendous resource.

Our mission is to improve the economic well being of Vermonters by supporting business and job growth, worker education and training, access to financing and capital and expansion of markets.

Our department comprises a small (but very capable) team of 17. Most of the programs in the department are staffed by one or two people. They include:

*EB-5 and Foreign Trade:* Brent Raymond and Becky Fu

*Vermont Growth Incentive Program:* Fred Kenney and Kirstin Woolaver

*Financial Services (captive insurance):* Dan Towle

*Vermont Training Program:* Beth Demers

*Vermont Procurement Technical Assistance:* Robin Miller and team

*The Office of the Creative Economy:* Lars Torres

*Business development:* -- with a focus on manufacturing and the forest products industry: Ken Horseman and Alex Ibey

We rely on, work closely with and help support our partners, which include the Regional Development Corporations, the Small Business Development Center, and many others. We also partner frequently with our Agency colleagues in Tourism and Community Development.

It is an exciting time for Vermont: we rank high in quality of life and health. Our EB-5 and captive insurance programs are best in class. We have been recognized nationwide for our entrepreneurial culture and for the third year in a row, rank first in the Opportunity Index. (See "Sources" below)

Yet there is a lot of work that we need to do to retain and grow jobs and businesses here. We are challenged on all sides of the state with aggressive neighbors keen to lure our businesses. But we also have opportunities.

As part of identifying these, we are embarking on a statewide Comprehensive Economic Development Strategy (CEDs) to help chart a course for the years to come and establish Vermont as a leader in an increasingly competitive business landscape.

This federally funded process began last summer with the hiring of a consulting team. We established our mission as "*to create a plan that will improve the economic well-being of Vermonters, while maintaining our natural resources, community values and unique quality of life.*"

Since September we have reached out to more than 200 people in the following groups to gain their input:

- Eight citizen “listening” meetings in regions around the state
- Four CEDS Committee Meetings (CEDS Committee is made up of 50% private sector and 50% representing, education, government, non-profits, etc.)
- Eight Cabinet and Inter-Agency meetings
- RDC and RPC meetings

In working with these groups, seven key themes or “buckets” have arisen. These are areas where we will develop initiatives. I will summarize why participants at the meetings felt each was important:

1. *Workforce & Education:* This is one of the most frequently heard concerns from our meetings. Concerns were grouped into these areas: a) We simply do not have the applicant pool we need to fill jobs (a factor of our low-density population). b) Applicants lack basic education and training needed for the positions. c) Applicants, especially those recruited from out of state, may decline a position since Vermont’s wages are often less than elsewhere and/or housing and cost of living are not low enough to compensate. We are not alone in seeing workforce as a major issue. At a recent meeting Secretary Miller and I were invited to attend at the National Governor’s Association Economic Policy Advisor’s Institute, workforce training was one of the primary concerns nearly every state represented faced. This was due, in part to the fact that our education system is not preparing students for the new suite of skills necessary for working in advanced manufacturing and other industries and, in part, due to the fact that technology and skill sets are evolving very quickly in nearly all fields and training is needed more frequently to stay current.
2. *Business Environment:* What makes a place a good location to do business? This area looks at site location, co-locating with suppliers or sector clusters, availability of incentives, access to business tools such as broadband or shipping access.
3. *Access to Capital and Financing:* We are a state of small businesses and growing businesses. While EB-5 and other programs have done an excellent job of growing certain types of businesses, others, particularly those in the “new economy” which lack fixed assets and base their value on intellectual property are often finding it difficult to access the resources they may need. Meeting participants also noted that business mentorship, such as that can be provided by venture or angel investors, is also in limited supply across the state.
4. *Physical Infrastructure:* While Vermont has made tremendous strides in broadband access, there are many other parts of our physical infrastructure that are impacting business growth. Among the concerns frequently cited: antiquated water and sewer systems; lack of housing that is “affordable”; energy costs that, while may be competitive within New England, are not competitive with many other states; a limited statewide public transportation network.
5. *Social Infrastructure:* Health care, education, a sense of community, access to recreation and the arts: these are areas that Vermont typically scores high in yet there is concern with access to health care under the new system and that our education system is not adequately preparing students. While cities such as Burlington have the social infrastructure and community events to attract new employees, employers in more rural areas of the state may find it more difficult to attract young talent.

6. *Innovation*: Vermont has a successful history of turning innovative ideas into profitable businesses, encouraging entrepreneurship and calculated risk-taking. This area looks at how we continue to foster and mentor innovation in all aspects of our businesses, communities and government.
7. *Working Lands & Tourism*: One of the strengths most often cited by meeting participants was our working landscape, and its essential role in promoting tourism and accessing recreation. Participants felt our working landscape is what sets Vermont apart and creates a landscape that is unique in the world. Our landscape has also provided for many successful businesses in the tourism, food and wood products areas. Finally, maintaining our forests and flood zones is also key to resiliency, particularly in the face of climate impacts.

Our next steps are to bring all these groups together for a meeting at the end of this month to refine and further develop some of the 40 or so initiatives that have been put forward and establish priorities. Our goal is to have this document completed by late spring.

It will be a work in progress. It will include and expand on regional plans and include and build on other agency initiatives. It will take a great deal of hard work to be continually relevant and useful. It is our hope that by engaging the people and groups we have that continued ownership of these initiatives will lead to action.

It has not been an easy process so far and but it has led to an unprecedented collaboration and conversations across regions, across businesses and non-profits and between agencies.

I am happy to provide more information and to field questions.

Thank you.

Lisa Gosselin

#### Sources:

- Vermont is #1 for the 3<sup>rd</sup> year in a row in the Opportunity Index which ranks states on 16 indicators. Source: [http://www.washingtonmonthly.com/magazine/november\\_december\\_2013/features/the\\_2013\\_opportunity\\_index047357.php?page=all](http://www.washingtonmonthly.com/magazine/november_december_2013/features/the_2013_opportunity_index047357.php?page=all).
- Vermont is the national leader in the captive insurance industry. Vermont recently signed its 1000<sup>th</sup> captive and is among the top three leaders in the world in this field (along with Cayman Islands and Bermuda). David Provost, who works in our department of financial regulation was named the most influential person in the captive industry for 2013. Source: <http://www.prweb.com/releases/VTCaptive/Power50/prweb11391989.htm>
- Vermont has also been a leader in establishing EB-5 financing programs. Source: [http://www.nytimes.com/2012/12/31/us/31vermont.html?\\_r=0](http://www.nytimes.com/2012/12/31/us/31vermont.html?_r=0)
- Vermont has been named the “most inventive state in the nation” by CNN due to the high number of patents. In addition, this past year Vermont became the first state in the nation to pass a law protecting businesses from patent trolls. <http://money.cnn.com/2013/05/24/smallbusiness/patent-trolls>
- Vermont ranks #2 in the country for quality of life and #2 for health and ranks top in the nation for student performance. Source: <http://www.alec.org/state-education-ranking-shows-vermont-1-south-carolina-last/>

