vtTA vermont technology alliance

Vermont Technology Alliance Overview

Non-profit business Association with 200 members
- From large companies to individual entrepreneurs

Mission: support, promote and grow technology businesses and technology jobs in Vermont

We do this by:

- Advocating on behalf of the Vermont's technology business sector
    − Legislation, programs, marketing that support tech in Vermont
- Creating opportunities for collaboration and networking
    − Lunch & Learn sessions, CEO dinners, annual summer cruise
- Organizing technology programs and Events
    − Annual Tech Jam and Tech Jam awards
- Publishing Tapping Tech
    − Highlights and promotes Vermont as a home for tech companies and jobs

Vermont Technology Alliance Overview - Continued

- Encouraging education programs and opportunities that support a tech workforce
  - Internships, school outreach, tech training program with Dept. of Labor
- Sharing news and information and business opportunities
  - Monthly newsletter, web site, social media, posing of job openings
- Ongoing outreach and collaboration with businesses, government and economic development leaders
  - serve as a conduit between the tech industry and state economic development.

  Funding: Membership dues, sponsorships, state grant
  - State grant not in FY 2016 budget

Jeff Couture - Vermont Technology Alliance Feb. 2015

Vermont's Tech Business Sector

Vermont's technology sector represents **an economic growth opportunity for Vermont** that should be encouraged and supported.

- Dynamic, home-grown, fast-growing companies creating innovative products and services that are sold worldwide

Vermont's tech businesses have a positive impact on Vermont's economy:

- Vermont tech companies are creating jobs
  - vtTA member companies alone hired more than 500 employees last year and continue to hire.
- For every technical position hired, Vermont companies on average add six non-tech jobs
- Tech creates high-paying jobs
  - Wages for tech jobs are up to twice the Vermont average wage.
- Tech businesses bring money into Vermont
  - Most Vermont tech customers are outside the state

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Tech businesses have a positive impact on Vermont's economy - Continued

- Tech businesses are "green," and fit with Vermont's goal of preserving the working landscape.

  - Most tech businesses have no or minimal environmental impact and prefer to locate in Vermont's downtowns.

- Tech businesses are creating jobs that are in demand by younger employees

  – an important demographic for the state's economic future.

We can and should make Vermont a hub for technology businesses that can fuel Vermont's economic growth.

Jeff Couture - Vermont Technology Alliance Feb. 2015

Recommendations for Supporting Vermont's Tech Business Sector

Expand Vermont's Brand and Marketing to include Tech.

- Tech businesses cannot attract employees to fill job openings

- Vermont's rural, agricultural image creates a perception that there are no tech jobs or opportunities.

- Broaden Vermont's brand and marketing message to include tech and innovation economy,
    - Embrace our past while creating a forward-looking economic narrative for Vermont that highlights the state's strengths in technology to attract talent.

- Broaden "Brand Vermont" to include tech to attract businesses to the state.

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Recommendations for Supporting Vermont's Tech Business Sector

Continue Investment in Broadband

- Robust broadband enables tech businesses and jobs to be created anywhere in the state.
    - Fast broadband and office space often is all that tech startups need. With broadband, geography is not an issue
- We need to accelerate the reach and speed of broadband throughout the state.
- Promote opportunities in Vermont where there is high-speed fiber

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Recommendations for Supporting Vermont's Tech Business Sector

Expand Opportunities for Technology Business Financing and Investment

- Many tech companies have intellectual, rather than physical property
  - Can make it more difficult to secure loans and other financing
  - Funding for knowledge-based businesses creates jobs
- Continue to fund the Vermont Entrepreneurial Lending Program
- Explore new financing opportunities and economic incentives to encourage tech,
  - Hiring incentive programs, crowdfunding, preferential treatment for capital gains reinvested in Vermont technology companies.

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Recommendations for Supporting Vermont's Tech Business Sector

An Educated Workforce Equipped with the Skills We Needed for Tech Jobs

- Tech companies need educated employees, with a sound foundation in science, technology, engineering and math (STEM) fields.

- Vermont's tech employers also need graduates who are able to write, reason, and work collaboratively to solve problems.

- Fund and support the Vermont Strong scholarship program and internship opportunities to connect Vermont students with the tech workforce.

- Support and promote dual enrollment programs for high school seniors in Vermont state colleges, particularly in STEM disciplines.

- Support continuing education and higher education offerings that prepare adults for Vermont tech jobs.

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Recommendations for Supporting Vermont's Tech Business Sector

Revise rules for hiring tech contract workers

- The ABC test Vermont uses to determine whether an employer is required to provide unemployment insurance coverage should be revised or eliminated.

- Vermont has a more stringent definition than the IRS, which puts Vermont firms at a disadvantage compared to those in other states.

- Discourages businesses from hiring independent contractors, creating lost job opportunities for the contractors.
  - Tech companies are hiring out of state contractors

- Especially true for the software industry where it is common to hire multiple freelance software developers.

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Recommendations for Supporting Vermont's Tech Business Sector

Rethink the Cloud Tax

- The tax on pre-written software – the so-called cloud tax – is difficult to define since most software is delivered as a service, not as a standalone product.

- The tax creates an image that Vermont does not welcome tech businesses.

- Some tech businesses are not hiring, not expanding, and not making purchases in Vermont due to the tax.

- The potential for lost business investment and jobs is greater than the amount of tax that will be collected.

Jeff Couture - Vermont Technology Alliance Feb. 2015