

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

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

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.

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.

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

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.

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.

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.

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.