

**Testimony before the House Committee on Commerce and Economic Development  
Tuesday, February 18, 2020 at 1:00 p.m.**

Committee Members:

We are so grateful for your continued support for these successful out of poverty programs benefitting our economy and the Vermonters with low income.

Bill Cherry made an appointment to speak with Gillian Franks from CVOEO's Financial Futures Program over a decade ago. He was out of work and brewing beer in his home. His meetings with Gillian were intensive at first and then intermittent over the years. Switchback Brewing was born and is now a multimillion dollar enterprise which has recently become employee owned. In Bill's words: "The Micro Business Development Program was the only third-party consultant needed to get the company started. And I would have never known Chittenden Bank had just released funds for a business loan program without the insider knowledge from the Micro-Business Development Program."

CVOEO is one of five Community Action Agencies in Vermont. Community Action Agencies are known for meeting the crisis and life sustaining needs of Vermonters with low income. We are also highly successful in assisting these same Vermonters find economic self-sufficiency through self-employment all the while contributing to the Vermont economy.

These programs are the most effective out-of-poverty programs Community Action Agencies offer and are uniquely structured to benefit those we serve. The Micro Business Development Program (MBDP) helps Vermonters develop businesses and offers financial coaching, credit counseling, as well as asset building through the Vermont Matched Savings program.

The Governor's proposed budget seeks to totally **eliminate** this essential economic pathway for Vermonters with low income. After 10 years as Executive Director of CVOEO I know the difference that these programs make and I am passionate about their value. There is a strong cohort of advocates who are working with Legislators to put this funding back into the budget.

Krista was a successful businesswoman in Hawaii. She was also in an abusive marriage. In trying to cope with this pain, her life became entangled in addiction. When she came to Vermont she was lost. With great courage, she started the way to sobriety and stabilized her life. She began working with John Gergely from the CVOEO MBDP. They worked on a business plan that not only brought economic life but also peace. Yoga with Krista is now one of the foundation offerings at the Turning Point Center in Chittenden County.

Then there are the thousands of businesses started with the germ of an idea: dog walking businesses, Mike Patch's Green Cleaning Business, catering businesses, production of gluten free products, New Americans starting businesses at Farmer's Markets, Food Trucks and on and on and on. Self-employment brings stability to families and infuses our economy.

Last year 1 (ONE) FTE from the MBDP at CVOEO engaged over 200 participants. There were 9 businesses that were birthed and 46 businesses that were enhanced or expanded. 15.5 full time equivalent positions were created. The cost per job creation over the last ten years averages \$3,748. The **state-wide** cost of operating Micro-Business, financial capability and our matched savings program totals less than \$600,000.

Thank you again for your generosity of time and your sincere interest in the health of our communities.

Jan Demers, Executive Director  
Champlain Valley Office of Economic Opportunity (CVOEO)