

VACCE

Vermont Association of Chamber of Commerce Executives

P.O. Box 810, Montpelier, VT 05601

September 14, 2020

To Senate Economic Development, Housing and General Affairs Committee:

As your committee reviews the House-passed version of Governor's Recommended Restatement of the FY21 State Budget, the Vermont Association of Chamber of Commerce Executives (VACCE) recommends amendments to support the 30 chambers throughout the state that comprise this group that reaches into every corner and community of Vermont.

In the first round of funding chambers of commerce were eligible for grants from the Agency of Commerce and several took advantage of that which was much appreciated. However, in the application process we learned there were criteria that made it impossible for some chambers to access these funds and for others to access a very small amount of their revenue loss.

Therefore, we ask that the state award a one-time \$1 million for appropriation with COVID Relief Funds to VACCE, a proposal supported by the Vermont Association of Regional Planning Commissions and the Vermont Association Regional Development Corporations (RPCs & RDCs). These monies would be dispersed to chambers throughout Vermont, allowing our organizations to continue providing strong business support during these challenging times.

The House-passed bill recognized this dilemma for chambers and added more money to the grant program and directed the Agency of Commerce to lift many of the restrictions for eligibility. We support that direction but have found that many chambers still will not receive the funds needed to sustain operations through this pandemic. Therefore, if you choose to support the House-passed version to help chambers we recommend adding language to the bill specifically for chambers to address the following:

- Change the date for lost revenue to December 31, 2020
- Allow for chambers to claim lost revenue for all categories including dues, sponsorships, and advertising
- Specify that \$1 million of the relief funds be granted to VACCE for distribution to the chambers
- Allow ACCD to revise the application to:
 - Recognize the differences between tax return forms (990 and 990EZ) and ensure that it is clear which annual revenues on which tax form lines should be reported. Note that revenues reported on the 990EZ are not necessarily the total revenues of an organization, so certain revenue could be erroneously excluded from the grant award calculation.
 - Revise the application to include a standard financial form that all applicants complete, rather than asking applicants to submit their own PDF version of a financial statement,

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- which may not provide the required level of detail ACCD is looking for and create kick-backs. For example, the application could ask for total revenues by specific category (dues, events, grants/donations, etc.) such that the totals will match the reported annual revenue on the tax form.
- Allow for the submission of a cover letter or other document that would provide the applicant with the ability to explain unusual circumstances.

We are becoming increasingly worried that chambers could be another casualty of this pandemic, as we are starting to be financially depleted. Inexplicably, almost all of the federal COVID assistance, including PPP monies, has been denied to chambers, threatening our very existence. Quite simply, we need a dedicated stream of funds, right now, that is designed to refuel, re-energize and retool our chambers, to help us address the challenges of the new economy ahead.

For generations, chambers of commerce in the state have greeted visitors to our regions, published thousands of brochures, hosted informative breakfasts, advocated for every business in our respective communities and organized countless regional fairs, festivals, and events.

And then came COVID-19.... Revenue streams that once flowed strongly to our chambers have slowed to a trickle. Our membership dues, sponsorships and fundraisers have all but dried up, as businesses struggle for their own existence, and our events, many which bring in needed income, have all been cancelled due to the pandemic.

At this critical time, when this outbreak has affected every aspect of our state and national economies, chambers are needed more than ever to assist our businesses and regions in rebuilding. Our organizations have stepped up during this pandemic, and it is expected this support will be needed long into the future.

It is hard to put into words how much our workload has increased due to this crisis. Chambers have taken on this extra work, willingly, trying to help all businesses in our regions so they can recover, even while no money was coming into our organizations to fund such efforts.

One of our chamber directors said it best when he noted, "These are exceptional times, like nothing we have ever experienced before. Our organizations will be expected to be the glue that keeps our regions together during these difficult times. The strong leadership of chambers is needed, to not only strengthen our economy but bring back our businesses from the financial edge."

As a leader during this pandemic, Vermont will continue to be seen nationally and internationally as a place of opportunity, diversity and prosperity, not only in the next decade but beyond. Chambers of commerce in Vermont, long known and respected for our own service to the state, want to be there to assist in this effort.

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Businesses are calling out for us to help them, and we want to be able to answer their calls, as we always have. We need your assistance and support to do that. We need your strong support on this initiative as we continue our mission of strengthening and assisting Vermont's business community. Thank you very much for your consideration of this very important request.

Sincerely,

Carol Lighthall, Okemo Valley Chamber of Commerce
on behalf of

The Vermont Association of Chamber of Commerce Executives