



Vermont Businesses
for Social Responsibility

Tuesday, February 16, 2020
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Dear Representatives,

Thank you for all of your tireless work over the last year to channel support to Vermont businesses and families impacted by the ongoing COVID-19 pandemic. The work of this Committee and that of the legislature writ large has helped to keep us healthy and whole throughout this crisis, but as you are all acutely aware there is still more that we can do to help our little state endure. To that end, Vermont Businesses for Social Responsibility (VBSR) appreciates the opportunity to comment on ACCD's recently proposed Gap Economic Recovery Grant Program and have some feedback to offer on the program's overall structure.

VBSR is a statewide, nonprofit business association with an enduring mission to foster a business ethic in Vermont that recognizes the opportunity and responsibility of the business community to set a high standard for protecting the natural, human, and economic environments of our citizens. The majority of our members are small employers. Roughly 35% employ 10 Full time employees (FTEs) or less, 65% employ 50 FTEs or less, and only about 6% (or 40 companies) employ 300 or more FTEs. This means that many of them are not only more vulnerable to the economic impacts of the coronavirus but limited in their capacity to access many of the new resources available to them. As we navigate these changes together, VBSR has strived to act as an advocate, educator, and convener for our members; updating our COVID-19 resource page, hosting a series of webinars on the latest shifts in public policy and best practices, giving voice to businesses adversely affected by this "new normal," and more recently providing financial assistance to struggling member businesses via VBSR's Small Business Resiliency Fund.

ACCD and Department of Taxes have overall done a tremendous job in disbursing funds to the Vermont business community and our members are deeply thankful for the grant funding they've received. When taken together the two agencies have collectively disbursed \$330,182,995 in emergency economic relief grants to help offset the \$718,664,730 in losses accrued since this crisis began—leaving us with \$388,481,736 unmet to address. Much of that unmet need belongs to the Vermont's solopreneurs, new businesses, small employers, seasonal businesses, businesses that changed ownership, growth businesses, nonprofits, and others that either did not have the time or resources necessary to navigate the grant application processes or those whose unique circumstances kept them qualifying for relief. For this reason, VBSR strongly supports the creation of a Gap Economic Relief Grant Program to meet their needs.

In crafting this Program, VBSR has a number of suggestions to ensure funds are equitably and efficiently distributed. Chief among them is the need to provide a grace period before applications are processed and to avoid the previously used 'first come, first served' model. A grace period would provide both agencies and community organizations time to effectively market the new grant program to diverse constituencies and just as importantly it would give our businesses ample time to prepare their applications and seek additional technical assistance if needed.

When it comes to marketing grant programs, the more time community organizations and agencies are given the better. Last year, leading up to the launch of the suite of Economic Recovery Grant programs, we VBSR, ACCD, Department of Taxes, and countless other community organizations connected with business owners to make sure that they were aware of these new programs and provide details on programmatic requirements and guidelines. This was done through a variety of channels including email communications, social media, webinars, and one-on-one phone calls. It is important to remember however, that there is still no centralized entity to provide outreach, technical assistance, and marketing to the BIPOC business community. VBSR recognizes that we as a business association also have much more work to do to attract and welcome BIPOC businesses into our own organization and have committed time and resources to make the ongoing journey toward true allyship. In the meantime, however, it is critical that we recognize these disparities and allow the commensurate time needed to do meaningful, comprehensive outreach to the Vermont business community through marketing channels both traditional and nontraditional.

As we have previously mentioned, there is a significant demand for technical assistance from small businesses who either lack the means to retain a bookkeeper, accountant, or other support staff to manage their finances or who have not made the transition into the formal economy. Meeting their needs is not only a logistical challenge but a matter of equity as well.

The Center for Women and Enterprise (CWEVT), a non-profit economic empowerment organization, worked closely with state partners to help with technical assistance for the Minority and Women and Minority Owned Business Grant Program. CWEVT reports that they have served over 150 business owners to date. With three counselors on-call for in-depth assistance in addition to the three CWEVT full-time staff members, they reported that the majority of inquiries they received were either application-based issues (EIN vs. VT Tax Account, signing in, etc.) or problems with income statement preparation. While CWEVT staff spent an average of 30 min with each business owner and hosted 9 live counseling sessions, approximately 30% of clients who contacted CWEVT needed more than an hour's worth of assistance and most individuals felt they needed individual counseling time.

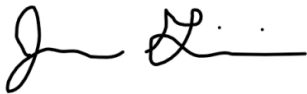
Similar to the Center, the Vermont Partnership for Fairness and Diversity, who managed the portion of the WMOB Grant Program reserved for BIPOC business owners, also reported an overwhelming demand for technical assistance. According to the Partnership's recent BIPOC business survey, technical assistance, namely as it relates to accounting and bookkeeping, was identified as one of the top four greatest needs among the BIPOC business community.

Looking beyond the Women and Minority-Owned Business Grant Program to the full suite of grant programs offered by ACCD and the Department of Tax, survey data collected by VBSR and our partners at Mainstreet Alliance of Vermont last summer indicated that 18.5% of respondents needed technical assistance to complete their applications and 14.3% did not apply to the program because they weren't able to get their paperwork in order.

When taken together the demand for technical assistance from the Vermont business community makes a compelling case for ACCD and the Department of Taxes to abandon the first come, first served model and provide a substantial grace period to ensure businesses have the time they need to access technical assistance and prepare their applications. Failure to do so would give Vermont's more well-established, well-resources businesses the lion's share of grant proceeds and leave our smaller business, many of whom women and/or BIPOC-owned, to compete for a much smaller pool of funding.

VBSR is continuing to gather stories of business members who did not receive economic relief over the course of last year and will share their experiences with this Committee to help inform the policymaking process. In the meantime, thank you again for your tireless efforts to provide relief to Vermont's communities, businesses, and families as we navigate the rigors of the COVID-19 pandemic and please do not hesitate to reach out if there's anything we can do to be of assistance.

Thank you,

A handwritten signature in black ink, appearing to read 'Jordan Giaconia', with a stylized flourish at the end.

Jordan Giaconia
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