



Vermont Businesses  
for Social Responsibility

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February 26, 2021

House Committee on Commerce and Economic Development  
Vermont State House  
115 State Street  
Montpelier, VT 05633-5301

Dear Representatives,

On behalf of Vermont Businesses for Social Responsibility and our hundreds of member businesses across the state, we appreciate the opportunity to offer comments on a number of economic development proposals currently under consideration in the House Commerce and Economic Development Committee. Detailed below are just a few of the initiatives we hope this Committee will advance either individually or as part of a broader economic development package.

#### **Additional Support for Microbusinesses**

Our micro-businesses make up more than 50% of Vermont's small business community and are an integral of the Vermont brand. Despite the significant value they bring, both the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) failed to provide the micro business community with meaningful assistance. The same can be said of the first round of funding delivered in S. 350. VBSR supports the recently proposed \$200,000 in additional funding to support robust, fully staffed programs at all five of the Community Action Agencies: CVOEO, Capstone, BROCC, NEKCA, and SEVCA. In addition, we support \$2,000,000 in EMBRACE grants to small businesses effected by COVID-19 during the next 6 – 12 months. The Vermont Community Action Agencies (CAAs) have a proven track record of fostering economic independence and entrepreneurship in low and moderate-income Vermonters. Their work is critically important, now more than ever.

#### **Better Places Program**

VBSR also supports H. 159, legislation that would build on the successes of the Better Places Program. This program has already show us how targeted grants to our downtowns and local municipalities can help communities quickly and creatively transform sidewalks, streets, parking lots, town greens and other public spaces to support public health, increase walkability, create safer dining and shopping spaces, minimize our carbon footprint, and promote commerce in their communities. Enabling additional crowdfunding would create an even greater sense of community investment in these projects and greater access to capital at a time when municipal coffers are in dire need.

#### **H. 336, An act relating to promoting economic opportunity for BIPOC-owned businesses**

VBSR urges this Committee to incorporate H. 336 into the Economic Development Bill. This bill is a direct product of the work of Curtiss Reed and Partnership for Fairness of Diversity's BIPOC business survey issued last fall. It directs the Department of Economic Development to design and implement the Black, Indigenous, and Persons of Color (BIPOC) Business Development Program to provide BIPOC-owned businesses with technical assistance, including financial literacy, digital literacy, and marketing; promote State and federal contract bid opportunities to BIPOC-owned businesses; and provide training to business technical assistance providers to reduce bias in service delivery.

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 Vermont Partnership for Fairness and Diversity, who managed the portion of the WMOB Grant Program reserved for BIPOC business owners, reported an overwhelming demand for technical assistance last summer. They reported that they fielded well over 75 technical assistance inquiries focused on questions of eligibility, how to present a profit and loss statement, how to update information on an already submitted application, and how to create .pdf files. They noted that common challenges for business owners centered around their indecision between the Department of Taxes and ACCD, eligibility questions; inability to upload requested information for an incomplete application; and more.

In an effort to increase state contracting opportunities for Black vendors, H. 336 would decrease disparities for all businesses of color by promoting sustainability and providing them a fair share of local, state, and federal contracting. The state can and should explore creating new standards that ensure agencies are practicing fair contracting and that begins with doing just, intentional outreach to the BIPOC business community to ensure they are aware of these opportunities and given due consideration.

Unconscious biases are prejudices we have but are unaware of and have also been referred to as “mental shortcuts based on social norms and stereotypes.” Biases can be based on skin color, gender, age, height, weight, introversion versus extroversion, marital and parental status, disability status and their impacts in the workplace can be extremely harmful. We as economic developers, business and community leaders, and as human beings must figure out how to conquer bias and its insidious effects. Promoting cultural competency via training and education on unconscious bias is a good first step. As VBSR has seen in offering similar trainings to our own membership, these conversations can help to deepen our understanding of unconscious biases generally, bolster awareness of the unconscious biases we ourselves carry, better understand how this can impact our workplaces, and most importantly spur definitive action to combat the influence of unconscious biases.

H. 336 contains a host of community-driven solutions to address the significant racial disparities impacting Vermont’s BIPOC business owners, explore economic opportunities in the multicultural marketplace, and provide leadership in creating a fair and welcoming Vermont.

### **Economic Opportunity and Cultural Empowerment Bill**

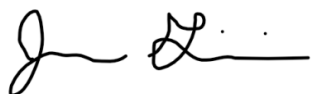
VBSR also encourages the Committee to consider the "Economic Opportunity and Cultural Empowerment Bill" recently offered by Representative Brian Cina. Among other things, the bill directs the state to create the Vermont Department of Cultural Empowerment and Economic Advancement within the Agency of Commerce and Community Development, which would be tasked with creating statewide empowerment network via four Community Empowerment Centers and establishes a grant program that would be used to fund cultural education, celebrations/commemorations, and other events as well as a Business Cultivation and Support Program.

Like H.336, this proposal also creates a BIPOC Business Development Program to provide access to capital, technical assistance, and other supports for BIPOC businesses and directs the Secretary of Administration to create a BIPOC Business Procurement Program to engage BIPOC businesses in the state contracting and procurement process. However, the bill takes matters a step further by establishing a minimum percentage of State procurement contracts or funding that is awarded to BIPOC-owned businesses.

There isn't a silver bullet to creating true cultural and economic empowerment and justice in our state and the BIPOC community is by no means monolithic, so VBSR encourages this Committee to take a "both and" instead of an "either or" approach to taking on these two proposals.

While it is imperative that we address the present needs of Vermont’s businesses, families, and communities, we also need to look to the future to build a stronger, more equitable economy. To that end, VBSR stands ready to work with the Committee to shape the pending economic development package and we thank you for the opportunity to offer comments.

Sincerely,



*Jordan Giaconia*  
Public Policy Manager