

February 12, 2025

To: Senator Alison Clarkson and Representative Mike Marcotte

Thank you for the opportunity to meet with both of your committees on 1/29/25 for Small Business Wednesday! We hope you and your committee members found the information and stories we collectively shared informative. In case you would like to consider additional ways to support the small business service provider community – to enable us all to serve and support more small businesses and in a more extensive way, here are some ideas we gathered from the organizations who were present at the hearing. We respectfully offer these 7 concepts for your consideration and would welcome the opportunity to discuss in greater detail.

- CONCEPT #1: A definitive small business resource guide, aka “The Kit”
- CONCEPT #2: Support for free legal education and services for Vermont’s small businesses
- CONCEPT #3: Support for existing funding and expansion of funding for BIPOC Business Technical Services
- CONCEPT #4: Broaden Eligibility and Uses of Vermont Training Program to Include Owner/Operators of Small Businesses HQed in Vermont
- CONCEPT #5: Opportunities with increased Business Advising for Small Businesses, Entrepreneurs
- CONCEPT #6: Community Small Business Connector
- CONCEPT #7: Building Tomorrow: High School Tech Ed Entrepreneurship Program

CONCEPT #1: A definitive small business resource guide, aka “The Kit”

ORGANIZATION LEADS: Women+ Small Business Owner Collaborative [composed of Center for Women & Enterprise, Champlain Valley Office of Economic Opportunity, Mercy Connections, Vermont Commission on Women, Vermont Professionals of Color, Vermont Women’s Fund, Vermont Womenpreneurs, and Vermont Works for Women]

POINT OF CONTACT: Mieko Ozeki, Vermont Womenpreneurs, mieko@radiancestudiosllc.com

WHAT: \$100,000 request for a definitive business resource guide, aka “The Kit”

Launch a \$100,000 initiative introducing an integrated resource ecosystem for Vermont small businesses, centered on "The Kit" - our definitive business resource guide. This comprehensive approach creates a consistent, accessible hub through three interconnected components:

- A magazine-style annual publication (\$40,000) featuring in-depth profiles of Vermont business service organizations, practical guidance, and success stories that showcase the depth of available support services.
- A dedicated interactive website (\$35,000) that serves as the digital home for The Kit's content, offering dynamic updates, searchable resources, and seamless integration with existing state platforms. This hub transforms static content into an engaging, user-friendly experience that adapts to entrepreneurs' needs.
- A complementary AI-powered platform (\$25,000) embedded within the website that aggregates time-sensitive information - including events, grants, programs, and educational content - creating technology-enabled collaboration between resource organizations and the entrepreneurs they serve.

WHY:

This solution builds upon a decade of research and initiatives that have documented the challenges facing Vermont's small business ecosystem. The 2016 Change the Story VT Status Report on Women's Business Ownership highlighted significant gaps in resource accessibility and business support. The Vermont Women's Fund's 2024 This Way Up survey has reinforced these findings while demonstrating the ongoing need for coordinated support services.

The 2021-2023 Community Navigator Pilot Program (CNPP) demonstrated the critical value of collaborative hubs in connecting businesses with resources. While the program's funding has concluded, it proved that centralized navigation services significantly improve entrepreneurs' ability to find and utilize business support. Similarly, the 2024 Small Business Technical Assistance Exchange (SBTAE) showed the power of coordinated technical assistance delivery through RDCs and community partners, revealing strong demand for sustained collaborative infrastructure.

Our integrated solution addresses these documented needs by:

1. Creating a centralized, reliable source of information that reduces the burden on both resource organizations and business owners, addressing the fragmentation identified by constituents.
2. Building upon the proven collaborative hub model validated by the Community Navigator Pilot Program, establishing a sustainable platform that maintains these vital connection points between service providers and entrepreneurs.

3. Responding to key findings from the This Way Up survey by streamlining access to business support services, particularly benefiting marginalized constituents who report challenges in accessing and navigating existing systems.
4. Sustaining the momentum of statewide technical assistance and navigator programs by providing permanent digital infrastructure for technical assistance delivery, ensuring the coordination and efficiency needed to continue serving Vermont's business community.
5. Establishing a sustainable model for ongoing collaboration that helps resource organizations maintain consistent, updated information without straining their capacity, addressing a key challenge identified across all recent initiatives.

This initiative transforms successful elements from previous temporary programs into lasting infrastructure, creating a more cohesive, accessible support system that serves both resource providers and the businesses they support. By building upon documented successes while establishing permanent solutions, we ensure sustainable impact for Vermont's entrepreneurial ecosystem.

BENEFICIARIES: 27,204+ small businesses with under 20 employees (including solopreneurs) and at different stages of business from startup to succession would benefit most from this project.

ADDITIONAL DETAILS:

Last year, representatives from Center for Women & Enterprise, Champlain Valley Office of Economic Opportunity, Mercy Connections, Vermont Commission on Women, Vermont Professionals of Color, Vermont Women's Fund, Vermont Womenpreneurs, and Vermont Works for Women started meeting to discuss the development of a centralized platform for our constituents to access the resources and connections they need to succeed in their entrepreneurial endeavors. With the help of the Vermont Women's Fund, we hired Game Theory to do a discovery workshop to develop our idea. Game Theory is the Vermont based group that helped with VWF's This Way Up campaign (2021-2024) by building an interactive survey and website with real time results from responses. If of interest, we are happy to share the report from the discovery meetings we had with Game Theory and additional background information.

CONCEPT #2: Support for free legal education and services for Vermont's small businesses

ORGANIZATION LEAD: Vermont Small Business Law Center at Vermont Law & Graduate School

POINT OF CONTACT: Nicole Killoran nakilloran@vermontlaw.edu

WHAT: \$300,000 to fund a portion of base operations for the Vermont Small Business Law Center, which provides:

- **Public education:** Individual educational consults with our team of legal experts; tailored educational trainings for interest or industry groups, including organizations, owners, boards, and staff
- **Legal Basics for Startups:** Ongoing series of Q&A webinars open to the public, offered twice monthly), on business law basics
- **Attorney Referral Program:** Together with the Vermont Bar Association, free referrals to an attorney with up to ten free hours of service at no cost to the business/organization
- **Responsive Public Legal Education:** Mobilize to educate the public about various legislative developments and changes to business legal requirements

WHY:

- In the last two years, the Vermont Small Business Law Center has seen steady and increasing growth in demand for legal education and attorney services.
- At current capacity, wait times have doubled. We are prepared to scale up to meet that demand. Our current funding (congressionally-directed spending award, and State Small Business Credit Initiative (SSBCI) technical assistance/Phase II) expires in May/June 2026.
- With steady funding for a portion of our base operations, we may access additional funding and matching grants.
- Tailored educational programming will help the public and service provider organizations stay current and informed of legislative changes as they are enacted.
- We are seeking support for up to half of our base operating budget.

BENEFICIARIES: In 2024, 288 small businesses requested legal assistance from the Vermont Small Business Center, with 163 one-on-one consultations, 149 placements with an attorney for free legal services, and 80+ educational presentations. We project these numbers will continue to rise through 2025 and beyond. Our proposal requests funding to meet half of our base operating budget, which serves approximately 150 businesses directly, supports a twice monthly legal basics for businesses webinar series, and provides up to 35 educational presentations, per year.

Without our services, most of these small businesses would have gone without legal education or access to an attorney, leaving them vulnerable to economic fluctuations and major events, or struggling to understand compliance requirements.

CONCEPT #3: Support for existing funding and expansion of funding for BIPOC Business Technical Services

ORGANIZATION LEAD: Vermont Professionals of Color Network

POINT OF CONTACT: Weiwei Wang, weiwei@vtpoc.net

WHAT: Support for existing Governor’s recommended budget line item and add a one-time \$100,000 allocation to support additional business technical assistance services.

Our request consists of two components:

- **Support for the Governor’s current ACCD FY26 budget line of \$250,000 (DED)** to continue coverage of services offered, and
- **Expanding business technical assistance services - An additional \$100,000 one-time fund** to the current budget line to expand business basic education, resource navigation and networking support to prospective and current BIPOC small business owners particularly at the pre-seed through growth stages.

WHY:

Our current two-year contract with ACCD is coming to a close in April 2025, and we hope to receive the General Assembly support for the Governor’s recommendation for continued funding for \$250,000. This funding allows us to provide critical workforce and business development services, including resource navigation. We have a proven track record of success with the BIPOC business and professional communities for offering concierge-style support that increases access to SOV opportunities, including contracts, services and other resources.

Additionally, we are requesting an additional \$100,000 in one-time funding to support continued coverage of business technical assistance to avoid gaps in service, as well as to increase the number of hours we can dedicate to supporting small business owners in resource navigation, as well as in-person gatherings.

As mentioned during the 1/29 presentation on small business life cycles, the number of start-up and early BIPOC business communities has been growing, especially since the COVID-19 pandemic. VT PoC has supported over 50 businesses since 2023 in their early phases of development. It should be noted that VT PoC staff members provide on average 10-15 hours of

support to each individual business, excluding those who experienced flooding during the 2023 and 2024 floods (these businesses averaged approximately 20-30 hours of support at the most critical stages of recovery).

The VT PoC/MSA 2023 report findings emphasized these needs and the importance of having a trusted navigator to provide support in accessing resources. Additionally, the success of the Community Navigator Pilot Program (CNPP) led by VtSBDC (2021-2023) and the subsequent Small Business Technical Assistance Exchange (SBTAE) led by the RDCs (2024) demonstrated the value of having trusted outreach and resource navigators to support the process of outreach and identifying appropriate resources for businesses.

Expanding VT PoC's existing business technical support services can help:

- Increase awareness of existing state-supported business development services
- Build deeper connection to the BIPOC small business community as a way to reduce isolation and increase statewide engagement
- Build connections to other small business owners across the state and find opportunities for mutual aid/problem solving
- Expand their social and economic connections regionally and statewide
- Increase their local economic impact multiplier effect

BENEFICIARIES:

Direct - Approximately 800+ small businesses (<20 employees) that are BIPOC owned (startup to growth stages) as well as pre-startup/seed.

Indirect - 27,204+ small businesses (<20 employees) at various stages of business development (startup to succession)

CONCEPT #4: Broaden Eligibility and Uses of Vermont Training Program to Include Owner/Operators of Small Businesses HQed in Vermont

ORGANIZATION LEAD: Vermont Sustainable Jobs Fund

POINT OF CONTACT: Ellen Kahler, ellen@vsjf.org

WHAT: Make statute changes to Chapter 10, Title 22 [§ 531. The Vermont Training Program](#) to enable small business owners (with less than 20 employees) or the service provider organizations they engage with to access Vermont Training Program funding for a wider range of services (e.g., strategic planning, succession planning, management team training,

sales team training, general business coaching/advising of the founder/owner). Add at least \$1 million to the base of General Fund appropriations to the Program to enable this eligibility expansion.

WHY:

While the Vermont Training Program, as indicated in its current statute, can technically serve any size of business in Vermont, it has historically been a program accessed mainly by larger employers in the state. The eligibility requirements and thresholds set in statute for the program, inadvertently reduces the likelihood that small businesses, especially those with fewer than 20 employees, will be eligible to receive grant funds for their training needs. According to VTP's [Annual Report to Vermont](#), in FY24, 40 employers benefited from \$1,865,368 in state funding support (an average of \$46,634 per business). A total of 2,085 employees received these trainings, at an average cost of \$895 per employee.

However, 93% of all Businesses in the state of Vermont have 0-19 employees, and most often do not have a dedicated human resources professional who focuses on wages, benefits and professional development training for employees at the firm. Business owners in these small businesses most often work alongside their employees and thus should be considered a worker-owner of the business. Because so many of these small business owner-operators work IN their business on a daily basis, they rarely take time out to work ON their business' development. This can cause businesses to miss opportunities to enter new markets, expand their customer base, and improve their profitability, thus slowing or negating the possibility of increased wages and benefits for their employees. This slowed wage growth then impacts the state's financial health in the form of foregone tax revenue had these businesses been more successful and profitable. If we want to fix the affordability gap in the state, the other side of the equation of households being able to meet their basic expenses is to increase their income, in addition to reducing their expenses.

It should also be noted that many small business owners pay their employees first, before they take an owners draw and thus may skip paying themselves all together some weeks if cash flow is tight. Expanding the supports offered to small business owners to improve the viability of their businesses will improve the earning potential of employees and the employer alike.

The Vermont Training Program is the only state-run program that deploys General Fund dollars in the form of small grants to employers to provide upskilling and other forms of training to their employees (1:1 match required). However, to our knowledge, the current statute does not allow small business owners who wish to engage an executive business coach, a management training provider, or other business assistance professionals to assist them for a specific period

of time, on such topics as strategic planning, succession planning, management team training, sales team training, and/or general business coaching/advising of the founder/owner to improve their leadership abilities.

If we want to improve the success and profitability of Vermont's 27,000+ small businesses, we should expand access to Vermont Training Program resources to cover a wider range of eligible education and training supports and allow these training opportunities to be offered to small business owners themselves.

Below is suggested statute edits for your consideration:

Title 10: Conservation and Development

Chapter 22: The Vermont Training Program

§ 531. The Vermont Training Program

(a) Authority.

(1) The Secretary of Commerce and Community Development, in consultation with the State Workforce Development Board, shall have the authority to design and implement a Vermont Training Program, the purpose of which shall be to issue performance-based grants to employers and to education and training providers to increase employment opportunities and improve wages and benefits of workers in Vermont consistent with this chapter.

(2) The Secretary shall structure the Vermont Training Program to serve as a flexible, nimble, and strategic resource for Vermont businesses and workers across all sectors of the economy.

(b) Eligibility for grant. The Secretary of Commerce and Community Development may award a grant to an employer if:

(1) the training is for preemployment, new employees, or incumbent employees in the methods, either singularly or in combination, relating to preemployment training, on-the-job training, upgrade training, crossover training, or specialized instruction, either on-site or through a training provider; or

(2) the education and training support is designed to support founder/owner operators of a small business in Vermont with 20 employees or less, along with their management team if applicable, on such topics as, but not limited to, strategic planning, succession planning, management team training, sales team training, general business coaching/advising of the founder/owner;

~~(2)~~ (3) the employer provides its employees with at least three of the following:

(A) health care benefits with 50 percent or more of the premium paid by the employer;

(B) dental assistance;

(C) paid vacation;

(D) paid holidays;

(E) child care;

(F) other extraordinary employee benefits;

(G) retirement benefits;

(H) other paid time off, excluding paid sick days;

(3) the training is directly related to the employment responsibilities of the trainee and/or business owner/operator; and

(4) compensation for each trainee, including the small business owner-operator, at the completion of the training program equals or exceeds the livable wage as defined in 2 V.S.A. § 526, provided that the Secretary shall have the authority to modify this requirement if he or she determines that the employer offers compensation or benefits, the value of which exceeds the compensation and benefit assumptions in the basic needs budget and livable wage calculated pursuant to 2 V.S.A. § 526. For small business owner-operators an 'owners draw' shall be considered equivalent to how W-2 wages are paid to employees.

(c) Disclosure. In the case of a grant to a training provider, the Secretary shall require as a condition of the grant that the provider shall disclose to the Secretary the name of the employer and the number of employees trained prior to final payment for the training. If the founder / owner operator is primarily receiving the training, this too should be noted.

(d) Conditions. In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:

(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;

(2) disburse grant funds only for training hours that have been successfully completed by employees and/or business owner/operator, provided that:

(A) a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training or not more than 50 percent of trainer expense, but not both;

(B) a grant for business coaching and/or training support to the founder / owner operator and/or their management team shall cover not more than 50 percent of the trainer expenses;

and

(BC) training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

(e) Work-based learning activities.

(1) In addition to eligible training authorized in subsection (b) of this section, the Secretary of Commerce and Community Development may annually allocate up to 10 percent of the funding appropriated for the Program to fund work-based learning programs and activities with eligible employers to introduce Vermont students in a middle school, secondary school, career technical education program, or postsecondary school to manufacturers and other regionally significant employers.

(2) An employer with a defined work-based learning program or activity developed in partnership with a middle school, secondary school, career technical education program, or postsecondary school may apply to the Program for a grant to offset the costs the employer incurs for the work-based learning program or activity, including the costs of transportation, curriculum development, and materials.

(f) Certificate. Upon completion of the training program for any individual, the Secretary of Commerce and Community Development shall review the records and shall award to the trainee, if appropriate, a certificate of completion for the training.

(g)-(j) [Repealed.]

(k) Report. Annually on or before January 15, the Secretary shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs. In addition to the reporting requirements under section 540 of this title, the report shall identify:

(1) all active and completed contracts and grants;

(2) from among the following, the category the training addressed:

(A) preemployment training or other training for a new employee to begin a newly created position with the employer;

- (B) preemployment training or other training for a new employee to begin in an existing position with the employer;
- (C) training for an incumbent employee who, upon completion of training, assumes a newly created position with the employer;
- (D) training for an incumbent employee who, upon completion of training assumes a different position with the employer;
- (E) training for an incumbent employee to upgrade skills;
- (3) for the training identified in subdivision (2) of this subsection whether the training is on-site or classroom-based;
- (4) the number of employees and number of business owner operators served;
- (5) the average wage by employer;
- (6) any waivers granted;
- (7) the identity of the employer, or, if unknown at the time of the report, the category of employer;
- (8) the identity of each training provider;
- (9) whether training results in a wage increase for a trainee, and the amount of increase;
- (10) the aggregated median wage for employees invoiced for training during the reporting period;
- (11) the percentage growth in wages and the percentage growth in the median wage for all wage earners in the State during the reporting period; and
- (12) the number, type, and description of grants for work-based learning programs and activities awarded pursuant to subsection (e) of this section. (Added 1977, No. 214 (Adj. Sess.), § 1, eff. April 12, 1978; amended 1981, No. 211 (Adj. Sess.); 1985, No. 172 (Adj. Sess.), § 5; 1989, No. 66; 1991, No. 50, § 230; 1993, No. 89, § 3, eff. June 15, 1993; 1995, No. 46, § 33; 1995, No. 190 (Adj. Sess.), § 1(b); 1997, No. 66 (Adj. Sess.), § 67a, eff. Feb. 20, 1998; 1997, No. 71 (Adj. Sess.), § 54; 1999, No. 147 (Adj. Sess.), § 4; 2003, No. 122 (Adj. Sess.), § 233a; 2005, No. 103 (Adj. Sess.), § 3, eff. April 5, 2006; 2005, No. 174 (Adj. Sess.), § 16; 2007, No. 46, § 3, eff. May 23, 2007; 2009, No. 78 (Adj. Sess.), § 14a, April 15, 2010; 2009, No. 146 (Adj. Sess.), § G13, eff. June 1, 2010; 2011, No. 52, § 10, eff. May 27, 2011; 2013, No. 176 (Adj. Sess.), § 2; 2013, No. 199 (Adj. Sess.), § 42; 2015, No. 51, § G.4, eff. Jan. 1, 2015; 2015, No. 157 (Adj. Sess.), § H.2, eff. Jan. 1, 2017; 2015, No. 157 (Adj. Sess.), §§ D.1, K.2; 2019, No. 14, § 13, eff. April 30, 2019; 2019, No. 80, § 2.)

CONCEPT #5: Opportunities with increased Business Advising for Small Businesses and Entrepreneurs

LEAD ORGANIZATION: Vermont Small Business Development Center (VtSBDC)

POINT OF CONTACT: Linda Rossi, State Director

WHAT: Increase by \$300,000 in base state general fund support for the VtSBDC starting in FY26. This will enable an increase in business advising and educational workshops to meet the demands of entrepreneurs and small business owners post-pandemic.

An **additional \$300,000** to VtSBDC from the State would have transformational impact, bringing the **total annual funds from the State to \$688,889**, rather than the Governor's current recommended allocation of \$388,889. This would allow us to **serve an additional 200 Vermont entrepreneurs and business owners through no-fee, one-to-one advising** to help them start businesses, add and retain jobs, increase sales, export products, and prepare their ownership succession plan to transfer ownership for the business to continue to operate in Vermont.

For over 33 years, our organization has been a catalyst for Vermont's entrepreneurs, empowering individuals to not only start and acquire businesses but also to grow, thrive, and successfully transition to new ventures. We've equipped countless Vermonters with the expertise, resources, and guidance to navigate the complexities of building sustainable businesses.

We are nationally **accredited** and have **proven economic impact** that is verified by clients; who attribute outcomes to VtSBDC assistance. **Nationwide, SBDCs are hosted by higher education** (VtSBDC is hosted by Vermont State University as fiscal agent and sponsor of our program). VTSU, as our sponsor/host, does not contribute cash to VtSBDC operations, but as a key stakeholder, provides in-kind office locations on VTSU campuses which foster interaction between students/faculty, the small business community, and the service providers who support them.

WHO:

VtSBDC serves clients all **over the state**; last year 25% from Chittenden County and **75% in the rest of Vermont**, with the percentage of clients in each county closely aligned with the population percentage by county). Clients are from all business sectors (in this order: retail,

services, hospitality & food, professional/scientific, manufacturing, arts & creative economy, health care, construction, and agribusiness) typically with gross revenues between \$100k-\$3M.

WHY: Proven results and demonstrated return on investment

“Because the VtSBDC aids small business owners and would-be entrepreneurs who often cannot afford the expense of a private consultant, its contributions become even more important. The evidence that its assistance returns tax revenues to state and federal governments, and **value and capital to its clients that are greater than the direct cost of providing the services** makes the existence of the VtSBDC program justifiable from a public policy perspective.” -- *Source: An independently prepared economic impact report by economist, Dr. Chrisman.*

Given Vermont’s demographic picture, this demand has come from **mature businesses** with owners seeking to prepare to sell their business and from Vermonters looking to **start new** businesses and others within and outside of Vermont considering **buying a business** in Vermont. Across the board, requests for our assistance have increased since the pandemic. To serve Vermonters’ needs, we have added more online resources for those who can “do it yourself” or DIY yet most aspiring entrepreneurs and established business owners seek an advisor to tailor the guidance to their business and remain with them through the implementation of that advice.

Background on the VtSBDC Annual Budget:

VtSBDC receives \$777,777 in **federal funding annually from the** U.S. Small Business Administration (SBA). We are required to have 1:1 matching funds, with a minimum of 50% in cash. The current **State grant** is \$388,889 annually from the General Fund (50%) administered through the Department of Economic Development. The SBA and the State of Vermont are our two financial stakeholders. The other 50% of our state match comes from VTSU in-kind support and services and waiving of the indirect costs of serving as our fiscal sponsor.

The State’s steady funding is greatly appreciated, though the level of funding has remained relatively unchanged for the past ten years (having risen \$31k in that period). Funding has a direct correlation to our capacity to meet the **growing demand** for advice and requests for support from business owners.

There is an SBDC in every state and U.S. territory and all are funded in part by SBA. Funding is allocated based on population. In a review of other states that have the same amount of federal funding (\$777,777) as Vermont’s SBDC, the **average state cash match is 1:1 with the federal** funding level. In many cases the host university also contributes cash toward the

operations of the SBDC seeing it as an attractor to students and connector to real-world experiences; thus making the overall match of non-federal to federal 2:1.

OTHER:

- From the **531 individual clients served** in 2024 = 239 jobs created/retained; 25 new businesses started and \$10.7 million in new capital secured. This 1:1 advising is done with **6.5 FTE area business advisors**. Additionally, 538 Vermonters signed up for our educational webinars on starting a new business.
- Our services are open to young Vermonters who are in our schools. With an early focus on “**entrepreneur readiness**”– graduates of our high schools and colleges will be high-valued employees, and more prepared to explore starting a new business. Students routinely report that they want more “hands on opportunities” and are interested in “starting a business” when they graduate or in the near future. VtSBDC can be a more integrated link.
- VtSBDC runs a **youth entrepreneurship program** that offers professional development hours and/or graduate credits to high school teachers, empowering them to deliver entrepreneurship curricula and inspire the **next generation** of Vermont business owners while they are still in school. We have a separate proposal that would expand this program to **serve students** in Vermont’s Career and Technical high schools. This early engagement ensures that young entrepreneurs receive the support, mentorship, and resources they need to succeed on their entrepreneurial journey.

CONCEPT #6: Community Small Business Connector

LEAD ORGANIZATION: Vermont Small Business Development Center (VtSBDC)

POINT OF CONTACT: Linda Rossi, State Director

WHAT: \$120,000 in one-time funds to support a full-time position (within VtSBDC) dedicated to serving as a convener and connector, facilitating coordination and collaboration across the statewide service provider network.

This position is being proposed in response to the success of a recently concluded two-year federally funded program, which included a similar role. Throughout that pilot program, VtSBDC served as the central hub in a hub-and-spoke framework, working alongside nine other statewide service provider organizations as the spokes.

It was funded through a competitive 2-year grant process between 2021-2023. Vermont’s proposal was selected, and the project delivered outstanding results, both quantitative and qualitative.

Quantitative: business owners shared needs through surveys, and listening sessions, their needs were heard, service providers acted on those needs with coaching, mentoring, advising and training events. And, those entrepreneurs and business owners moved forward as a result – to start, to hire an employee, to access capital to grow.

Qualitative: partnerships were formed built on trust, increased collaboration and coordination of services occurred including an ease of cross referrals. When trends emerged or challenges arose, including major flooding and a disaster declaration, a swift and efficient response was implemented to address businesses' needs by region, subject, and industry.

WHY:

Today's business owners seek information in diverse ways and from a variety of sources. While each service provider promotes their programs externally to the small business community, including public-facing websites and social media, this role would focus internally on facilitating collaboration between service providers, ensuring that the Vermont business community receives high-quality and efficient support.

A key goal of the position would be to increase awareness of each other's offerings during the planning stage, minimizing unintentional duplication and fostering more connected, expanded services.

One lesson learned since the pandemic is that this convener, or 'hub,' plays a vital role to inform the creation of just-in-time resources and materials that address the evolving needs of Vermont's very small business owners—shaping how, where, and from whom they access information in a constantly changing marketplace.

Since the 2-year federal pilot project concluded, statewide economic development partners have consistently highlighted the gap left by the loss of this role, which not only facilitated real-time connectivity among service providers but also eased the frustration of Vermonters uncertain about where to turn or which organization to connect with at various stages of business development.

WHO:

Supporting the smallest business owners at the earliest stages of development is crucial for fostering long-term economic growth and stability. These early-stage businesses are often the most vulnerable, lacking the resources and networks larger enterprises rely on. They don't have a dedicated person for finance, marketing, human resources, etc. According to the VT Dept. of Labor (Aug 2024), 93% of all Vermont firms have fewer than 20 employees yet 30% of all employment and 32% of all wages.

By providing targeted support early on, such as access to essential resources, guidance, and networks, we increase their chances of survival and success. Helping these businesses establish

a solid foundation not only enables them to thrive, but also strengthens the overall economy by creating jobs, promoting innovation, and encouraging a more resilient, diverse business landscape. The earlier we invest in these small business owners, the more likely they are to grow, contribute to their communities, and sustain their operations in the long run.

Simultaneously, mature small businesses in Vermont are undergoing a significant ownership transition, as baby boomers currently own 37% of small businesses nationwide but 58% of those in Vermont. This group of business owners requires comprehensive guidance to ensure a smooth transition and the continued success of their businesses after their retirement.

A **connector** plays a crucial role in:

- Listening to the needs of entrepreneurs and small business owners
- Sharing insights with service providers
- Understanding the expertise and strengths of ecosystem members
- Facilitating warm introductions to the right resources
- Determining when services should be one-on-one (e.g., mentoring or consulting) versus group or cohort-based (e.g., workshops or training)

The **connector** may also recommend peer-to-peer learning opportunities or mastermind groups for collaborative problem-solving. If gaps in support arise, the **coordinator** can propose new services for partners to consider. By tailoring services to each environment's needs, the **convener** ensures the most effective resources are utilized and suggests new options to enhance service impact and relevance.

CONCEPT #7: Building Tomorrow: High School Tech Ed Entrepreneurship Program

LEAD ORGANIZATION: Vermont Small Business Development Center (VtSBDC)

POINT OF CONTACT: Linda Rossi, State Director

WHAT: \$162,000 in one-time funds to support a one-year pilot project to create and implement a statewide entrepreneurship education program for students in our Career and Technical high schools. A successful program will involve teacher training, ongoing support, and collaboration between educators, schools, and external stakeholders. VtSBDC has relationships in place that will aid in this collaboration. Our approach combining teacher training, onsite support, flexible timeframes and strategic partnerships, the infusion of entrepreneurial and financial literacy concepts into CTE programs can be scaled effectively over a three-year period. The cost estimate for a three-year statewide program is \$486,000.

Year one will start with two regions as pilots (with a priority to regions and schools in rural communities) and then roll out statewide in year two. Each year will build upon the last with a budget to include a program director, consultants, trainers, transportation costs and cover teacher training, certificates for student participation, and regional conferences for both teachers and students.

VtSBDC is poised to embark on this project due to its organizational experience in working with hundreds of Vermont entrepreneurs and business owners each year in group and one-to-one settings, and over a decade of prior involvement in successful youth entrepreneurship events. VtSBDC has a “Starting Your Own Business” workshop that is available for any teacher/student to take at no fee as a follow-on to the targeted entrepreneurship education program.

WHO:

Based on the data we have, we estimate that this program will have the ability to positively impact **over a thousand students** enrolled in our Career and Technical high schools in pre-tech, building trades, industrial mechanics, welding, precision machining technology, metal fabrication, engineering and architectural design, construction and environmental tech.

Teachers and students will benefit significantly from learning entrepreneurial skills for many reasons: critical thinking and problem solving, adaptability and resilience, financial literacy, initiative and leadership, creativity and innovation, self-empowerment and confidence, cultural competence, and social responsibility. Incorporating these concepts into secondary school curricula equips students and teachers with practical skills and prepares them for success in an increasingly dynamic and competitive world.

WHY:

Vermont, like the country as a whole, is working to diversify its economy, and small businesses and entrepreneurial skills training are critical to Vermont's economic success. However, most of our schools do not teach entrepreneurship, even though it crosses all academic disciplines & benefits students from diverse and all socioeconomic backgrounds.

A look at Vermont's demographics illuminates many challenges, including an aging workforce and aging small business owners, especially in industries tied to the "trades". There are many students learning the technical skills of these trades in our career and technical (CTE) high schools. However, Vermont does not currently offer statewide, comprehensive education in entrepreneurship (starting & operating a small business, financial literacy, creativity and innovation, critical thinking and problem solving).

The skills being taught at CTEs include automotive, construction, culinary, electrical and plumbing, engineering, and welding and these are essential for us to have the workforce to execute the infrastructure projects of the next decade. Mastering the fundamentals of entrepreneurship and financial literacy will equip these graduates to become highly skilled and valuable employees. Looking ahead a few years, many will either take over or start a small business. This business readiness is equally critical to the long-term economic stability of our communities.

Nationwide, **entrepreneurship is seen as a solution** to grow the economy and **students are seeking career alternatives** for which entrepreneurship opens new opportunities. In VtSBDC's work with over 500 small business owners each year, we see the effects of a lack of financial knowledge and business basics on their ability to survive and thrive.

OTHER:

Program elements to include: Introduction to Entrepreneurship, Business Fundamentals, Financial Literacy, Opportunity Identification and Innovation, Launching a New Venture, Business Management, Marketing and Sales, Analysis and Decision Making, Legal and

Regulatory Compliance, Customer Service and Communication, Ethics and Professionalism, Leadership and Teamwork, Reflection and Continuous Learning.

Entrepreneurship education instills confidence, emphasizes creative thinking & market-based solutions; it serves as a great incubator for the types of ideas our Vermont students need today and in the future. Employees who possess entrepreneurial skills and financial literacy are able to demonstrate initiative and problem-solving abilities, making them more attractive to potential employers. The entrepreneurial process uses problem solving, leadership, teamwork, and business skills to find solutions; all areas considered to be imperative in the workplace whether you are an employee in someone else's business or you are the owner of a business.

Performance will be measured by evaluating students' understanding of key entrepreneurship concepts, tracking their participation and engagement, effectiveness of their communication and presentation skills, and collaboration with industry partners local business owners and mentors for guidance and support during and after the program.