



# COLORADO

Office of Economic Development  
& International Trade

## EMPLOYEE OWNERSHIP COMMISSION: POLICY & FINANCE COMMITTEE MEETING MINUTES

TUESDAY, SEPTEMBER 24, 2019

1600 N. Broadway, Suite 2500

Rocky Mountain Room

Denver, CO 80202

1:00 p.m. – 2:30 p.m.

### MEETING MINUTES

Section 1	1:00 p.m.	<b>Intro and Discussion of Committee Focus</b> <ul style="list-style-type: none"><li>● Introduction Members in Attendance: Douglas Dell; Michael O'Donnell; Jason Wiener; Halisi Vinson; Justin Vause; John Kovacs; Jeff Kraft; Nikki Maloney Invitees Not in Attendance: Glenn Plagens; Ceyl Prinster; Rep Coleman; Leslie Hylton; Sandy Shoemaker; Steven White; Senator Tate; Steve Johnson</li><li>● Policy and Finance should these be 2 distinct working groups?<ul style="list-style-type: none"><li>○ Discussion by the group. Motion by Halisi Vinson that the Committee stay together at this time. Motion seconded and agreed to. All were in favor.</li></ul></li></ul>	John Kovacs / Jeff Kraft
Section 2	1:15 p.m.	<b>Defining what Employee Ownership (EO) Means</b> <ul style="list-style-type: none"><li>● Co-op and Employee Stock Ownership Plan (ESOP)</li><li>● Define % of employee ownership required to meet these descriptions for the programming we put in place<ul style="list-style-type: none"><li>○ Jason Wiener shared the discussion around this from the Marketing Committee meeting. Jason will circulate the draft definition to the group via email for review. Discussion continued that the intent is to encourage the broadest involvement by Colorado employees in Employee Ownership. Jason will take this feedback back to the Marketing Committee.</li></ul></li></ul>	John Kovacs
Section 3	1:25 p.m.	<b>Financial Tool Discussion</b> <ul style="list-style-type: none"><li>● What Obstacles / Barriers Are We Trying to Solve?<ul style="list-style-type: none"><li>○ Discussion of Financial Barriers based on the size of the business and if it is an ESOP or Co-Op mechanism used.</li></ul></li><li>● Update from the Small Business Administration (SBA) on their programming<ul style="list-style-type: none"><li>○ SBA rep unable to attend, Mike O'Donnell with Colorado Lending Source explained their use of SBA in ESOP and Co-Op funding. The Mainstreet Act, is still rolling out through SBA so at this point there are no new funding mechanisms available yet.</li><li>○ Justin Vause with CHFA described the Cash Collateral Support Lending Program.</li></ul></li><li>● Loan Fund Mechanisms &amp; Discussion</li></ul>	Group Jeff Kraft  SBA Rep Invited, but unable to attend





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- Jeff Kraft discussed the Coleman Tate Bill that passed last session directing the OEDIT to create a Revolving Loan Fund to assist businesses with transition costs related to setting up an ESOP or Co-Op structure. The group discussed that the specific audience for this is small businesses that would not otherwise be able to consider this option without assistance.
- The group discussed both the loan option and a grant option and will be further developed for future discussion.
- Jeff Kraft discussed creating a table visually depicting where the financial barriers are based on business size, ESOP versus Co-Op and the most viable funding options. This will be shared with the group via email for input and then shared at the next meeting of the full Commission.

Jeff Kraft  
John Kovacs

Section 4 1:45 p.m.

### Policy Prioritization and Discussion

- **State & Local Preference for Co-Ops:**

- Preference designation given to Co-Ops in state and local contracting like the minority, women and veteran owned businesses
  - The group discussed and will continue to look into as it defines the breadth of the programs being offered
- Proposed 20% purchasing requirement or goal, for school systems & municipalities in their contracting processes
  - The group discussed and felt there is already strong direction nationally on this type of programming. It was thus considered a lower priority than others on the list.

Group  
/ John Kovacs

- **CO-Op Training, Awareness and Education::**

- An "X-prize" for a Co-Ops
  - The group discussed and will continue to work on, as this is a natural extension of the community outreach and education.
- Designation of an annual Co-Op Day by the Governor
  - The group identified this as a natural Resolution and should be pursued right away to assist with outreach and education.
- Requiring EO education in K-12, university and professional schools
  - The group discussed and agreed that the focus should be on professional training.
- Funds for training the SBDC Network to offer EO/ Co-Op 101 Training for fields consultants
  - John Kovacs let the group know that initial funding has been approved. The group agrees that long-term funding for this effort needs to be a priority.
- Co-Op Days / Events at state level and at SBDC/ Extensions/ Library Districts
  - Group discussed and agreed that the initial focus would be on the Annual Co-Op Day and that other events could be added in the future.





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- Require State Demographer to develop a set of Economic impacts of Co-Ops and measure each of Colorado's 64 counties for co-op impact (worst to best)
  - The group discussed that this would be helpful to have this data to help direct policy. Designations would need to be added to Secretary of State registry of New Business, etc.

Section 5      2:30 p.m.

**Adjourn**

