

Testimony in Support of LD 756 - An Act to Encourage Employee Ownership and Support the Maine Center for Employee Ownership

Senator Reny, Representative Perry, and members of the Committee,

My name is Nick Vacchiano. I am a member of the O'Donal's Nursery Employee Cooperative in Gorham Maine. I am testifying in support of LD 756, An Act to Encourage Employee Ownership and Support the Maine Center for Employee Ownership.

O'Donal's Nursery began as a family-owned, multi-generational business established in 1953 by Royce and Selma O'Donal. The nursery is Located on 10 acres of land at 6 County Road in Gorham. In 2006 Jeff O'Donal purchased the nursery from Royce and Selma, his parents. In 2021 Jeff chose to sell the nursery to a group of his longtime employees. Since that time O'Donal's Nursery has been a Worker Cooperative, and has had three of its best revenue years consecutively.

O'Donal's Employees are especially dedicated to their workplace. Many have worked there for 10, 20, 30+ years. In 2021 when Jeff began the process of selling the nursery he talked with employees to see if they would be interested in purchasing O'Donal's from him. Jeff hired the Cooperative Development Institute (CDI) to come discuss the possibility of becoming a worker cooperative. With the help from CDI Employees were able to start a steering committee. This committee worked through the purchase with Jeff. Then in 2022 they were able to complete the purchase process and officially become a worker cooperative.

This Year O'Donal's has added nine new employee owners, and we are getting closer to our goal of 100% of employees being owners. We have held many workshops to help members and potential members learn about how cooperatives work and how money moves through a cooperative. We hold monthly board meetings, an annual all member meeting once a year, as well as a member retreat in the off season to set company goals for the upcoming year.

Becoming a Cooperative has made it possible for people to turn a job they love into a career that could potentially pay them a reasonable wage. Becoming a cooperative has made it possible for a 70 year old family business to continue to be a family business. O'Donal's has always been an Important part of its local

community and becoming a cooperative will allow them to continue to do that for years to come.

The cooperative ownership model has also helped us attract new employees who are eager to be part of a cooperatively-owned business. We are proud to continue operating in rural Maine, where good job opportunities are scarce. Being close to work allows us to engage more meaningfully in our local community.

We strongly believe that LD 756 should be passed into law. Cooperative ownership has greatly benefited O'Donal's Nursery, allowing us to continue to thrive. LD 756 would make the sale of any business or farm to its employees exempt from income tax, making employee ownership an even more attractive option for business owners. It would also establish a Maine Center for Employee Ownership, providing state funding for education, training, and technical assistance for workers and business owners interested in pursuing a conversion to employee ownership.

Thank you for your consideration.

Sincerely,

Nick Vacchiano, Member/Employee O'Donal's Nursery

6 County Rd Gorham, ME