

To the House Economic Matters Committee:

My name is Jim Johnson. I'm submitting testimony about SB 0085. I'm supportive of a favorable decision, and of the bill as voted on unanimously by the Senate.

I was a worker-owner in Sligo Computer Services, a worker cooperative in Montgomery County, from 1999 through 2009. Since then, I have been advising others in the successful start-up and operation of worker co-ops.

My worker co-op is an example of the conversion of a founder-owned business into a worker-owned cooperative - the workers bought the business from the founder and opted to govern it through equal ownership, as a workplace democracy.

Because I experienced and supported the process of the workers buying the company from the founder and converting it to a workplace democracy, I had a chance to see how much stronger and more prosperous the business became, as a result of becoming worker-owned and worker-governed. Myself and my fellow workers became more entrepreneurial and strategic in our everyday responsibilities to the company, and we also became more engaged with other businesses in our neighborhood and more contributive to charities and other civic institutions.

That said, the absence of a worker co-op statute in Maryland made the process of the worker buyout much more complex and difficult for us, as well as for our attorney and our CPA, and the ongoing governance of our worker co-op was more cumbersome.

My experience with my own company, as well as the support I've given to numerous other worker co-ops in Maryland, has made it very clear to me that worker co-ops in Maryland are enduring significant and unnecessary hardships, due to the lack of a suitable statute, and would greatly benefit from having one that is specifically crafted to support worker cooperatives.

This is why I believe that SB 0085 will significantly benefit these Maryland small businesses, especially those that economically disenfranchised people are seeking to start up, as a means of escaping generational poverty.

Thank you for your time and attention!

A handwritten signature in black ink, appearing to read 'Jim Johnson', with a stylized, cursive script.

Jim Johnson