

April 14, 2017

The Honorable René O. Oliveira
P.O. Box 2910, Room 3N.6
Austin, Texas 78768

Dear Representative Oliveira:

My name is Anne Davison, native Texan and CEO of RFD & Associates, a small central Texas IT company.

RFD & Associates, Inc. (www.rfdinc.com) has served Texas State agencies since 1986, with over 20 years as a woman-owned business.

In 2014, I began looking for business transition opportunities. I chose an ESOP as a form of retirement in order to retain the culture we have created for over 30 years, and keep management control within the employees' hands. In doing so, I was aware that when 100% of the company was sold to the ESOP (the employees), we would lose the benefit and stability that being a HUB had offered, which would negatively impact my employees.

As it stands now, designation as a HUB currently rewards only company owners, and employees indirectly. Providing the same preferences to ESOPs will benefit everyone employed by the ESOP, since all employees are equity owners.

I strongly believe that long-standing and successful HUB businesses need to have exit strategies (other than being sold to third parties) for the owners in a manner that the enterprise is not reduced or destroyed by losing their procurement preferences. While I recognize this will eventually add a few more competitors to the current pool of HUBs within Texas, at the end of the day, it should all be about the employees being able to own equity in the company and grow that equity.

HB 4171 gives Employee-owned companies the same preference as women-owned businesses, minority-owned businesses and disabled and veteran-owned businesses. This bill can potentially expand the population of minority, veteran and women Texans beyond who the HUB program is currently capable of helping.

Sincerely,



Anne Davison
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