



February 9, 2017

Testimony to VT House Commerce & Economic Development Committee
Economic and Workforce Development in the Northeast Kingdom

Chairman Botzow & Members of the Committee:

Thank you for inviting me to speak to the Committee on Economic and Workforce Development in the 3-county Northeast Kingdom region of VT. As you know, NVDA is a joint regional planning and economic development organization that serves the businesses and 50+ municipalities in the region. Like other regions of VT, NVDA sees challenges in bringing about community and economic development, as well as opportunities.

Economic Development -

- 1) We support the removal of caps on Tax Increment Financing Districts. This is a financing tool that is not available in our region at present, and there are potential projects in Newport and St. Johnsbury.
- 2) We support the VT Employment Growth Incentive program. It is working and there has been greater participation from businesses in our area due to positive changes to the program (Kingdom Pellets, AIAC, Revision, and BHS Composites are awardees).
- 3) We support the VT Training Program. Workforce development is a critical issue statewide and this funding is needed to improve the workforce; As companies open or expand in VT, the training funds are a positive incentive.
- 4) We are supportive of legislation that moves some of the workforce development functions of VDOL into an Agency of Economic Opportunity (or ACCD). This could result in better coordination of training funds and sharing of economic and labor data.

Workforce Development –

- 1) We support expanding Apprenticeships occupations to demand. In our region, apprenticeships are primarily available in the construction trades. VT's Apprenticeship profile should match with workforce demand based on future workforce need projections.
- 2) We support efforts to focus on increasing participants in the workforce pipeline because the labor force is very limited. Manufacturers from Newport to St. Johnsbury have a number of jobs going unfilled. Establishing pathways; Increasing awareness; Funding early access connections; Funding recruitment; and, Improving student readiness are all important.

- 3) We support making it easier for workers/students to participate in training programs. Utilizing distance learning, self-paced learning, and establishing satellite locations would help to do this.
- 4) We support expanding technical education access for pre-technical programs to 9th and 10th graders and all technical programs access to 10th graders.
- 5) We support workforce and economic programs that are at a VT-scale. Keeping programs simple, flexible, responsive, and adaptive for both participants and businesses will bring about greater participation statewide.
- 6) We support making more investments into the VT State College system. We have seen firsthand in other states how institutions of higher learning can function as significant economic engines in their community and state.

Comments from workforce providers in our region:

- There is a lack of quality applicants for many position openings, and the continued complaint from employers about employees lacking 'soft skills'.
- We may not have a good handle on the true pool of workers as many employees shift jobs regularly.
- A coordinated Employer/ Business Engagement Plan is needed. There is still a lack of awareness by businesses as to the programs are out there.
- The Regional Technical Centers are very flexible in meeting the needs of businesses.
- Businesses need to understand that they need to make investments, too. Utilizing outside resources is not enough.
- *Conversation with regional VDOL representative*

"We have employers actively involved in our advanced manufacturing program (Mechatronics) and have had some luck placing students in positions while they are in high school. However, most of our students in this program want to go off to college and are not interested in going straight into entry-level positions after high school." – *North Country Career Center*

"One of the biggest issues we have are getting students into the available programs. Many parents are still set on their child going to college and don't see the value of the training we offer. We do offer some night classes as well and it seems like the market has dried up. I am not sure if it is the cost of the training, lack of interest from the unemployed or what the issue is." – *Lyndon Institute*

Thank you for your consideration. If more information is needed, please contact me at: dsnedeker@nvda.net or (802) 748-8303.

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