
Vermont Training Program

Vermont House Committee on Commerce and
Economic Development

February 22, 2019

Presentation Agenda:

- Program Goals
- Program Overview
- Program Eligibility
- Application Process
- Recent Results
- Additional Program Benefits
- Addressing Common Concerns
- Questions

Program Goals:

- Offer a flexible, nimble and strategic workforce development program to enhance the skills of Vermont's workforce and to increase the productivity of Vermont's employers
- Created with the belief that employers are best positioned to determine the training needs of their workforce

Program Goals (cont'd.):

- Assist with the training of employees for the development and production of new and innovative products, equipment, technologies, market opportunities, or processes that will lead to significant advances in either innovation, productivity or both
- Funds are to be used to supplement, not replace, businesses' training efforts
- Assist with both training new employees and the training critical to employee retention
- Assist with the training of transferable skills

Program Goals (cont'd.):

- Encourage wage increases for trained employees
- Collaborate with other State Agencies and Departments
- Align with the objectives of the Vermont Statewide Comprehensive Economic Development Strategy (CEDS)

Program Overview:

- Provides performance-based grants – companies are reimbursed (after completing the training) for amounts expended
- Funds are awarded based on a training schedule submitted by the Vermont-based business
- Funds can be used to pay up to 50% of the cost of engaging trainers or 50% the salary cost of workers engaged in on-the-job training
- Awards can be used for pre-employment training, training new hires or training incumbent workers

Program Eligibility:

- The VTP is open to all sectors of the Vermont economy. Priority is placed on the twelve "Vermont 2020" CEDS target sectors.
- Trainees must be full-time permanent employees working in Vermont
- Grants are offered for pre-employment training (with guaranteed hire post-training), new employee training, and incumbent employees
- Employers and training providers must show that the use of VTP funds supplement training efforts, not replace or supplant training efforts
- Training shall be directly related to the employment responsibilities of the employee (i.e. not funding accounting classes for a machine operator for their personal growth)
- VTP funds shall not duplicate other state and/or federal funds for employee training

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Program Eligibility (cont'd.):

- Employee compensation (hourly wage), at the completion of training, must equal or exceed the livable wage as defined by the Vermont Legislative Joint Fiscal Office (JFO). Recently re-set at \$13.34 per hour
- Employees must be offered a minimum of three of the following employee benefits: health insurance (w/ 50% or more of the premium paid by the employer), dental assistance, paid vacation, paid holidays, child care, retirement benefits, other paid time off excluding paid sick days, other extraordinary employee benefits.

Application Process:

- Applications are accepted and reviewed on a rolling basis.
- Applications are reviewed by the VTP Review Team – which includes VT DOL, Voc Rehab, SWIB, VT DOE
- The general turn-around time is 18 business days.

Recent Results:

- VTP has been providing training assistance for over 30 years
- During fiscal year 2018 the program provided assistance to 2,070 Vermonters at 36 businesses
- The average trained employee saw a salary increase of 4.2% following training

Additional Program Benefits:

- VTP complements the efforts of the Department of Labor
 - DOL's programs focus on individuals, training providers and small businesses (i.e. apprenticeships which chiefly train plumbers, electricians, etc.)
 - DOL programs are focused on qualified unemployed or underemployed individuals whereas VTP is flexible enough to accommodate the training needs of currently employed workers and is aligned with the exact needs of today's workforce
- VTP is able to support apprenticeships and adult CTE programs when both the employer and employees have been identified

Additional Program Benefits (cont'd.):

- VTP, together with VEGI, is one of only two business retention and recruitment tools that are available
 - DED is acutely focused on the importance of the larger Vermont employers on our rural communities
 - The loss of a major employer in one of these communities could be devastating (i.e. the 1,200 highly compensated employees at GE Aviation in Rutland)
 - VTP is a good way to help these firms to ensure that they have the workforce that they need in these rural locations

Addressing Common Concerns:

- The funding only goes to big companies...
 - We serve a wide-range of businesses (see separate chart)
 - Structure of the program skews participation to larger businesses:
 - Salary threshold
 - Benefits requirements
 - Administrative requirements

Addressing Common Concerns (cont'd):

- Funding repeatedly goes to the same firms...
 - We serve a wide-range of businesses (see chart)
 - Larger firms may be growing faster
 - Larger firms have been in business longer and are seeing more turnover from retirements
 - GE Aviation has seen hundreds of workers retire over the last few years – has recently used VTP to up-skill

Addressing Common Concerns (cont'd):

- Recipients are going to do the training anyway...
 - Will they do it to the same extent?
 - Larger firms have more options. Will they do their hiring in Vermont? Will they do their expansions in Vermont? Will the Vermont facility continue to win inter-company business?
 - Will the Vermont facility remain competitive?
 - If not, will it stay open?

Addressing Common Concerns (cont'd):

- Is the funding a good investment?
 - Workforce is now the top driver for location decisions. Should we put Vermont at risk by failing to reinvest in ours?
 - We are spending time and resources to attract investment. It is much less expensive to retain and grow the businesses that we have
 - What do the recipient businesses contribute to the Vermont economy in wages, taxes, charitable contributions, etc.? What are these contributions worth?

Questions?

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