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MEMORANDUM

TO: Governor Phil Scott
CC: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Lindsay Kurrle, Commissioner, Department of Labor
DATE: January 11, 2019
SUBJECT: Next Generation Fund Allocation Recommendation

Pursuant to Sec. B.1100.1 of Vermont's FY2019 budget (Act 11) this memorandum recommends how \$2,315,900 from the Next Generation Initiative Fund should be allocated in fiscal year 2020 to strengthen and expand Vermont's labor force. In coordination with the Agencies of Commerce and Community Development, of Human Services, of Education and of Agriculture, the Department of Labor recommends that the Next Generation Initiative Funds be distributed in the following way.

Non-Degree Grants (VSAC) \$564,000

The amount of \$564,000 is allocated to the Vermont Student Assistance Corporation for the purpose of providing non-degree grants to Vermonters to fund enrollment in a post-secondary education or training program, including adult technical education courses that are not part of a degree or accredited certificate program, and registered apprenticeship programs. A portion of these funds may be used for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$2,500 per student. None of these funds shall be used for administrative overhead.

Vermont National Guard Educational Assistance (VSAC) \$150,000

The amount of \$150,000 is allocated to the Vermont Student Assistance Corporation to provide tuition assistance or interest free loans to active members of the Vermont National Guard members through the National Guard Educational Assistance Program and Vermont National Guard Tuition Benefit Program established in 16 V.S.A. § 2856 and §2857.

Dual Enrollment or Early College Stipends (VSAC) \$36,000

The amount of \$36,000 is allocated to the Vermont Student Assistance Corporation for the purpose of providing stipends for students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 946. This allocation shall be used to fund a flat-rate, need-based stipend to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

Entrepreneur Support: (ACCD) \$200,000

The amount of \$200,000 is allocated to the Agency of Commerce and Community Development to assist entrepreneurs in creating new businesses employing the next generation of Vermonters. From this allocation, ACCD shall issue a performance grant of \$100,000 to the University of Vermont in support of the UVM Innovations program. The UVM Innovations group provides financial assistance to nascent



businesses and technologies based on UVM intellectual property. ACCD shall also issue a performance grant of \$100,000 to the Vermont Center for Emerging Technologies (VCET) to assist entrepreneurs, students, and emerging growth firms with mentoring, technical assistance, professional networking programs and events, co-working facilities, and the management of the Vermont Seed Capital Fund.

Large Animal Veterinarian Loan Forgiveness (Agency of Agriculture) \$30,000

The amount of \$30,000 is allocated to the Agency of Agriculture, Food and Markets in support of the Vermont Large Animal Veterinarian Educational Loan Repayment Fund, pursuant to 6 V.S.A. § 20, to help ensure a stable and adequate supply of large animal veterinarians in high-need regions of the state.

Workforce Education & Training Fund (VDOL): \$1,335,900

The amount of \$1,335,900 to the Vermont Department of Labor Workforce Education and Training Fund for workforce education, training, apprenticeship, internship, returnship, and other on-the-job training activities that lead to employment. Up to ten percent may be used for administration of the program. The Department shall fund the activities and programs listed below and may reserve the remainder of the fund for targeted or competitive grants, or innovative pilot programs, that strengthen or expand the state's labor force pursuant to 10 VSA § 543.

Vermont Internship Program \$350,000

Not less than \$350,000 shall be allocated to support the Vermont Internship Program pursuant to 10 V.S.A. § 544. At least \$300,000 of this amount shall be awarded competitively to applicants who provide, facilitate, or otherwise support internships with Vermont employers for students at the post-secondary level. The Department will encourage and promote applications for programs that are likely to result in immediate or near-term offers of employment for the participant. The Department may award some or all of the grants with the condition of a non-publicly funded match.

Adult Career Technical Education (VDOL) \$400,000

Each regional Career Technical Education (CTE) Center that provides Adult CTE programs shall be awarded a base grant of \$20,000 by August 1, 2019. This grant may be used to support adult program staff or instructor salaries, scholarships for eligible adult CTE students, or curriculum development for adult CTE courses. \$60,000 will be allocated to support the coordination and organization of the state's regional adult career technical education programs. Activities may include the creation of a statewide course calendar, program and system alignment, policy development, public outreach, and grant administration assistance.

Vermont Returnship Program \$100,000

Not less than \$100,000 shall be allocated to support the Vermont Returnship Program pursuant to 10 V.S.A. § 545. The Department may award a performance grant to Vermont Associates for Training and Development to assist in the coordination, outreach, and implementation of the program.

Vermont Inmate and Ex-Offender Training Activities \$75,000

Not less than \$75,000 shall be allocated to support workforce education and training activities for Vermont inmates in the state's correctional facilities or for ex-offenders seeking to re-enter the labor force. The Department may fund these activities directly or in coordination with the Department of Corrections, a local restorative justice center, a Regional Career Technical Education Center, or other qualified training provider. Training opportunities funded with this allocation will be aligned with an identified employment need and, when possible, should result in an industry recognized credential.

Demand-Driven Training Grants \$277,310

The remaining Workforce Education and Training Funds shall be awarded in support of demand-driven trainings or programs aimed at meeting employment needs throughout the state. High-priority sectors include: health care, construction, manufacturing, transportation, hospitality, and business services. Grants may be awarded to training providers, businesses, or service providers who help out-of-school youth, veterans, dislocated workers, mature workers, individuals in recovery, or geographically isolated job seekers overcome barriers to employment.