

State of Vermont
Department of Labor
Workforce Development Division
5 Green Mountain Drive
P.O. Box 488
Montpelier, VT 05601
labor.vermont.gov

[telephone]
[e-mail]

802-828-4394
labor.VTJobs@vermont.gov

T E S T I M O N Y

To: House Committee on Commerce and Economic Development
From: Sarah Buxton, Director of Workforce Development, Department of Labor
Date: February 3, 2022
Subject: VDOL's Workforce Development Proposals

Over the last two decades, Vermont's aging population and demographic shifts have decreased the supply of available workers to support Vermont's businesses and economy. As we emerge from the pandemic, it's imperative that we focus on reversing the current workforce shortage. There are 25,000 fewer workers in Vermont now than pre-pandemic. This testimony focuses on four initiatives the Vermont Department of Labor (VDOL) proposes for FY2023 to help workers land jobs with employers who urgently need them.

Background

In 2017, Governor Scott directed the Vermont Department of Labor to coordinate efforts to begin to address the labor force shortage in Vermont. As part of this initiative, the following state goal and strategies were developed:

State Goal: *Increase the number and skill level of available workers in Vermont.*

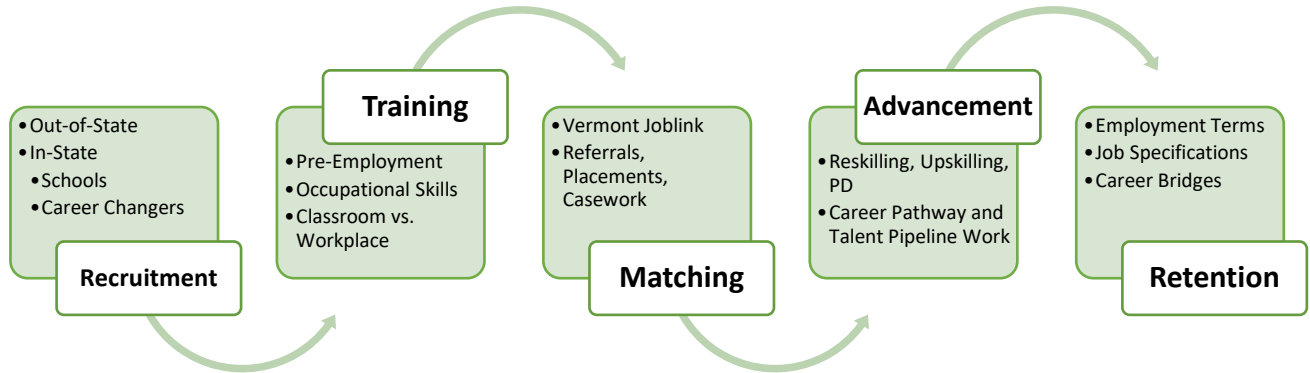
Strategies: To meet the State's workforce goal, partners will align efforts to:

- 1. Increase the labor force participation rate of Vermonters.*
- 2. Recruit and relocate new workers to Vermont.*
- 3. Assist employers in accessing and retaining skilled workers.*

Workforce Development is a broad term that describes at least five different types of activities involving organizations and individuals that contribute to successful employment and career advancement of individuals in ways that meet employer's labor force needs.



Workforce Development System



VDOL’s FY2023 proposals to support workforce development are as follows:

1. Regional Workforce Expansion System (\$2.7m over two years)

Two-year pilot program that will place six Workforce Expansion Specialists in the Barre, Bennington, Brattleboro, St. Albans, Rutland, and St. Johnsbury regions to assist with the State’s workforce expansion efforts. These specialists will focus on *local employer needs* and act as system and organizational bridges to help job seekers, current and future CTE students, and individuals interested in relocating to the region connect with current workforce needs. They will coordinate and support recruitment and retention activities to focus on current and future opportunities with regional employers. Acting as a bridge between entities supporting the “supply” side and entities supporting the “demand” side of the labor force challenge, these individuals will provide locally tailored resources, share labor market information, coordinate strategies, and provide technical assistance to employers to help them tailor work to attract talent. Additionally, regional grants (\$50,000) will be available and awarded to each of the twelve (RDC) regions to support coordination and expansion of efforts unique to that region.

Funding: \$750,000 for personal, supplies, local labor force information tools and outreach materials. \$600,000 annually for regional grants.



2. Paid Work-Based Learning & Training (WBLT) Program (\$1m)

Nearly 20 years ago, the legislature developed a Next Generation Fund that targeted investment in select training-related programs. In 2019, the Legislature ended this statutory and budgetary construct. VDOL continued to fund initiatives with available funds in largely the same way. This initiative seeks to create a new statutory framework for supporting work-based learning and training initiatives (WBLT) such as internships, returnships, externships etc.) and combines the use of existing funds and new funds to more directly support workers and employers.

The Department currently administers annual grants to public and private entities to support internship and returnship opportunities. This initiative would combine \$400k of existing base funds with \$1m in new investments to establish a WBLT program that would fund paid 6–12-week work-based learning and training experiences for Vermonters who are graduating from post-secondary or a secondary CTE program, post-secondary students who are seeking a work experience with a Vermont employer, or Vermonters who are navigating a career change and are in need of this pre-employment opportunity. VDOL would also use funds to enhance our current online “job-board” to detail WBLT opportunities and work to connect this technology with internship posting sites at post-secondary institutions. Finally, this investment will provide employers with technical assistance to develop and implement meaningful internship programs.

With a \$1m investment, we anticipate being able to fund approximately 300 individuals with paid 6–12-week WBLT experiences, create a one-stop WBLT listing platform, and provide employers with technical assistance to ensure that paid WBLT become a meaningful talent pipeline development tool they can utilize.

3. Apprenticeship Expansion Funds (\$1m)

Last year, the Legislature awarded VDOL \$2m to support the expansion of Registered Apprenticeship programs and participant enrollment. Because of staffing and organizational challenges, we were unable to spend all of the funding. I’m please to report that we have now completed key reorganizational milestones, including a hire for the newly reclassified position of Apprenticeship Director – beginning March 14. Along with the reclassification of a new position dedicated to that unit (to be recruited once the new Director is in place), we are finally poised to make key changes and improvements to our administration of the program within the calendar year. We are requesting \$1m of unspent funds from FY2022 to be allocated for the same efforts in FY2023 – to expand programs, improve programs, and increase enrollment. These funds would be used for direct support of apprentices, employers, sponsors, and training providers to expand opportunities, enrollment, and completion. A portion of the funding would also be dedicated to reimbursing apprentices or employers for up to \$300 on initial purchases of equipment, tools, supplies, or books necessary for successful completion of the program.

