



# Workforce Development

Presentation to the House Committee on Commerce and Economic  
Development  
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# WHY WE ARE HERE

## Challenges

1

*There is an **acute need to solve the state's broadband worker shortage** to ensure that the 62,000 Vermont households that do not have access to broadband today gain access in the coming months and years*

2

*With an aging workforce, the **state of Vermont faced a worker shortage even before the pandemic**. In its wake, these challenges have only increased as 25,000 Vermonters have left and not returned to their jobs and just over **7% of existing jobs in the state are vacant in high-priority sectors***

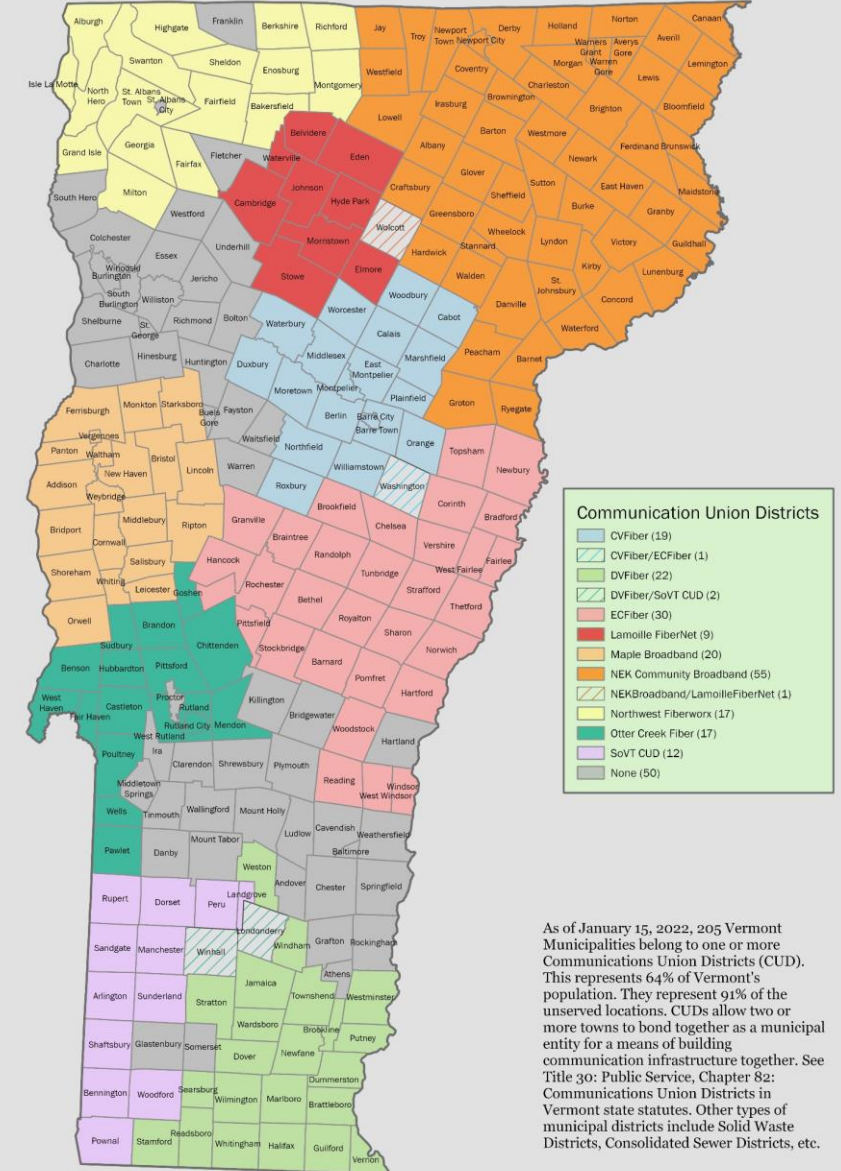
## Recommendation

- **Stretch public workforce dollars further by deploying one-time funding from H.703 into a revolving “pay-it-forward” fund that recycles capital and trains 2-3X as many workers.**
- **Allows low-income Vermonters to access training for free and repay training costs only if they successfully attain and retain employment.**
- **Can re- and upskill Vermonters for roles within broadband and other in-demand sectors. Raising \$10M from H.703 appropriations can unlock \$2M in matching philanthropic funds to cover 100% of fund implementation costs.**

# Communications Union Districts

- Winter 2026
- 9 Districts
- 207 Member Towns
- 404 Volunteer Board Reps & Alternates
- Over 64% of the State's population
- 91% of premises statewide without access to 100/100 Mbps broadband
- Represented by the Vermont Communications Union Districts Association (VCUDA)

## Communication Union Districts



# Key Challenges for 2022

- **Access to Capital**
- **Access to Materials**
- **Access to Labor**
- **Rising Costs**

With billions of dollars being invested nationwide in fiber optic broadband networks, exponential demand combined with an already strained labor market, meeting Vermont's goals is a challenge.

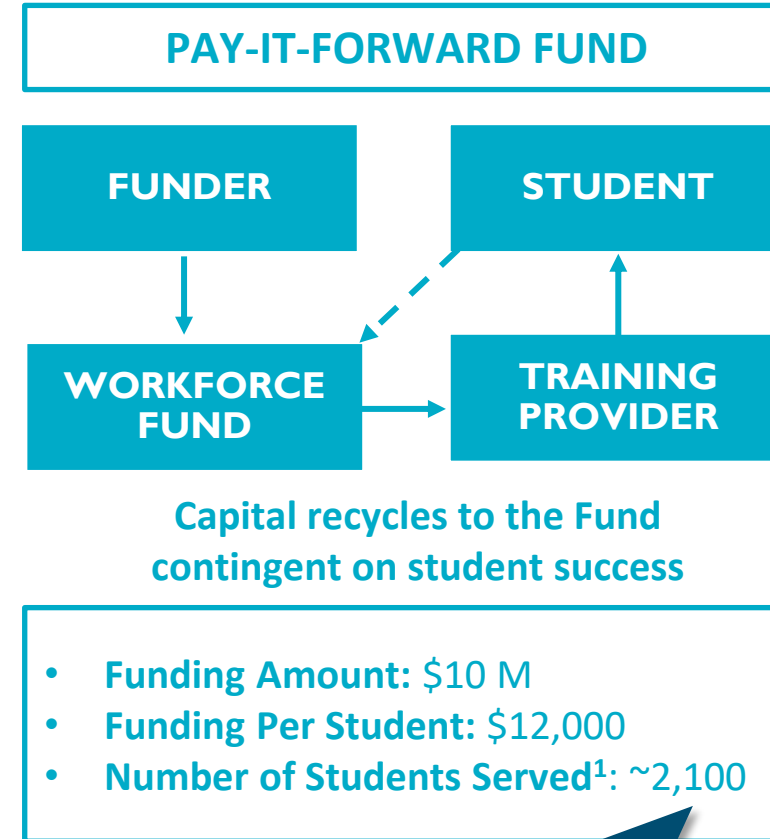
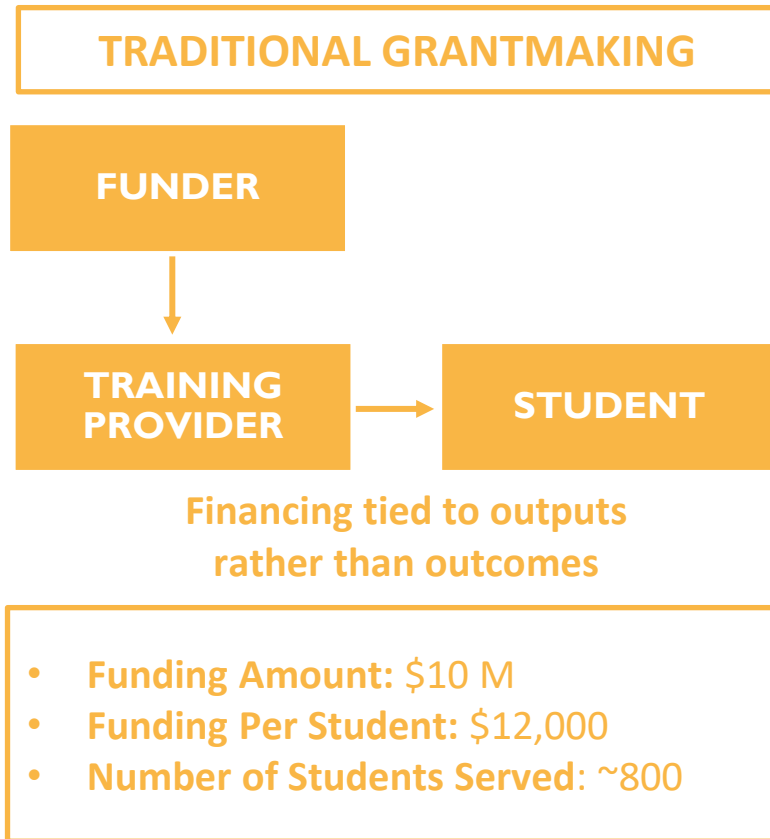
# CHALLENGE: Labor Shortages

## LABOR

- Need 200+ additional fiber technicians - 150 “outside”; “50” inside; Will need to train 300+
- Fiber technicians require 144 hours of classroom training and 2000 hours of apprenticeship
- Puts labor pressure on electric utilities who have to prepare the utility poles – “Make-Ready” - 4 years of apprenticeship required for an electric line-worker
- In collaboration with VCBB, Social Finance and Vermont Community Foundation and the Communications Workers of America are exploring the feasibility of a pay-it-forward fund to meet Vermont’s urgent broadband workforce needs and expand statewide broadband coverage
- We can fund the training on our own, however.....there is a **better way** and a **bigger need beyond broadband.**

# PAY-IT-FORWARD FUND ADVANTAGES

Recycling capital enables more individuals trained per \$ spent with financing linked to workforce outcomes



**~2-3x more students served**

1) Assumptions embedded in this number include: \$10,000 maximum income share agreement (ISA) amount, 1.1 payment cap, no repayment for \$2,000 in support services, conservative outcomes base case assumptions and fund transaction costs, and 10-year lifecycle with ability to finance more students after 10 years.

# THE VISION: A STATE OR REGIONAL 'PAY-IT-FORWARD' FUND

By training workers for in-demand occupations and tying repayment to successful outcomes, a “pay-it-forward” workforce fund structure can help meet Vermont’s broadband talent needs and retain a skilled workforce



**2-3X more workers** can be trained by recycling capital through a pay-it-forward fund relative to a traditional grant



## 1 RECRUIT

Training providers recruit **underserved individuals**, for example:

- Unemployed
- Underemployed
- Received Earned Income Tax Credit
- Access Public Benefits
- Recently Incarcerated

**Attract individuals to participate in training** through:

- Conducting a mobile job fair with support from industry experts (e.g., Steve Shepard)
- Leveraging best practices across other active pay-it-forward funds nationwide

## 2 TRAIN

Eligible students apply to the selected **high-quality training provider** to obtain:

- Job training
- Wraparound and career services

Initial focus on training **fiber technicians**, but opportunity to **expand to other in-demand fields** (e.g., nursing, solar, weatherization, and electrical)

**Vermont Technical College (VTC)** identified as a potential training provider:

- VTC got approval from VT Dept. of Labor (DOL) for broadband / fiber apprenticeship program – first course launch in March
- VTC will leverage nationally recognized telecom technician training program
- to deliver electrical content working with the Northeast Public Power Association and IBEW

## 3 PLACE

Graduates are hired by **employer partners** into well-paying, middle-skills jobs.

Potential employers include:

- **Utility:** Green Mountain Power; VT Electric Co-Op; Washington Electric Co-Op; VT Public Power Supply Authority
- **Telecom:** Waitsfield and Champlain Valley Telecom (WCVT); Valley Net Consolidated Communications; VT Communication Union Districts
- **Communication Infrastructure:** Eustis Cable Enterprises; Sertex; Layer8 Communications

**Create career paths – for example, VEIC and VCBB can work together to create a Digital Career Path. Work cross-sector to create health career paths, construction career paths, etc.**

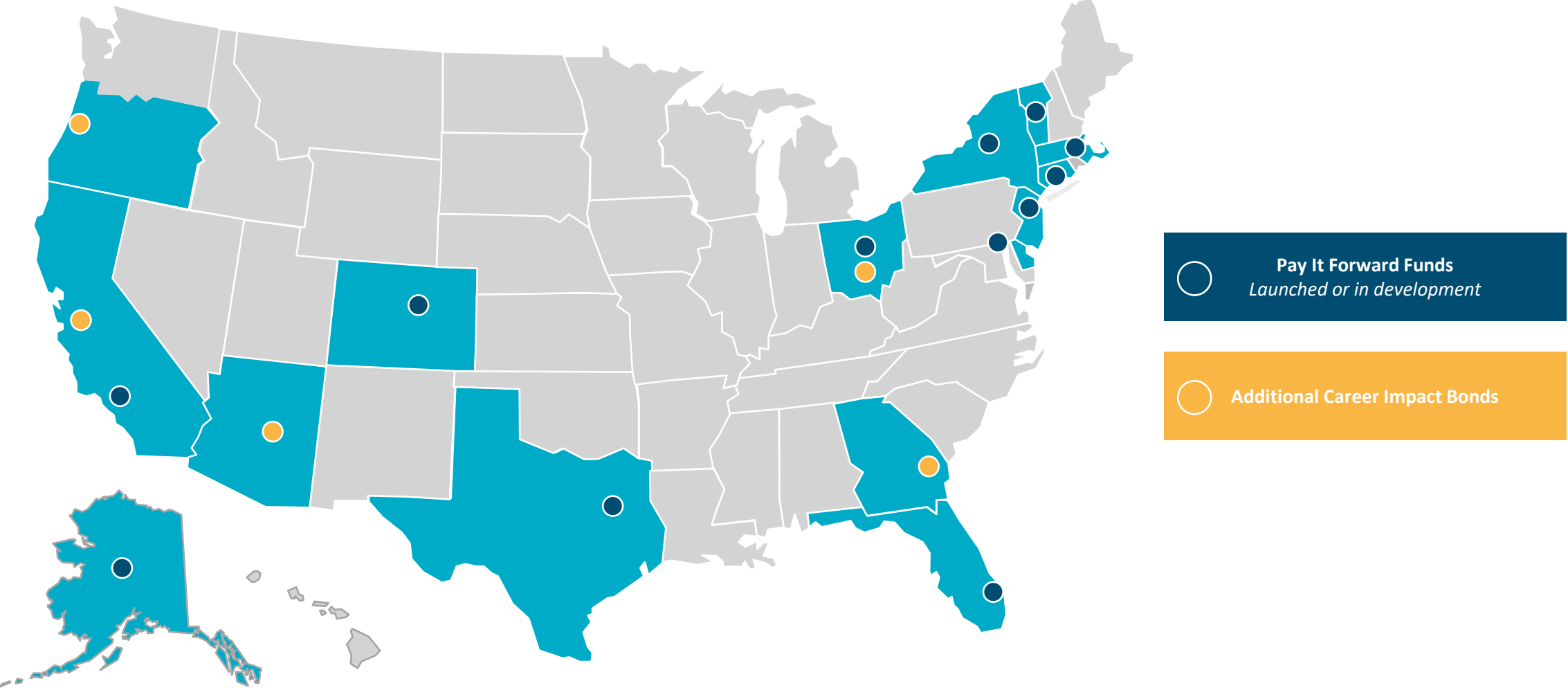
## 4 REPAY

Placed graduates repay via **income share agreement (ISA)** with:

- Down-side protection if student does not complete the program and attain gainful employment
- Repayment based on employment success
- Student-friendly terms with transparent payment obligations
- Potential for employer to offset based on retention milestones

# PAY-IT-FORWARD FUND FOOTPRINT

Vermont can join a growing cadre of states implementing pay-it-forward funds around the country



Note: Portfolio outcomes represent a point in time snapshot aggregated over multiple training providers/career paths.



# The Better Way for Vermont

- **Need at least \$10 million to attract matching funds**
- **There is at least \$20 million identified in H.703**
- **Add language requiring collaboration between all participants to work together to investigate a “Pay-it-Forward” vehicle**
- The labor market has fundamentally changed and using a cross-sector approach is now necessary.



Questions?