

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 16, 2022
Subject: Background on Statutory Responsibilities and further detail on VDOL's Workforce Development Proposals

Observation: The workforce development system is one of the most complex systems within the state of Vermont. It involves public and private entities, federal and state regulations, and a myriad of stakeholders who have an interest in the benefits that investments, alignment, and coordination can provide. As you contemplate changes in roles and responsibilities this session, and pursue permanent and one-time investments, I urge you to deeply consider that existing framework for service delivery, coordination and alignment, the work that has been done in the last five years to streamline and simplify work for all stakeholders, and the temporary and lasting impact that your decisions will have.

The labor market and all who are involved in it are still making sense of the changes the pandemic has caused. It's vital that policy makers appreciate this unstable environment and avoid the mistake of adding greater uncertainty in circumstances and focus, by adding more points of focus, work, and commitments in time than can truly be useful.

Background (continued)

The Vermont Department of Labor (VDOL), Agency of Education (AOE), Vocational Rehabilitation (VR) and the State Workforce Development Board (SWDB) is assigned responsibilities at the State and Federal level. The coordination of work between the Departments/Agency, Board, and federally and state funded programs has been an area of focus of the legislature since 2012. A tremendous amount of work has been done in the last five years to coordinate service, align activities and initiatives, and begin implementing systems changes.



Vermont has over twenty federal funding streams that administer workforce development programs that are required to participate in a “one-stop delivery system.” In 20 CFR § 678 the “one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to the programs' services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.”

Title I of WIOA assigns responsibilities at the “State and Federal level to ensure the creation and maintenance of a one-stop delivery system that enhances the range and quality of education and workforce development services that employers and individual customers can access.” Vermont submits a comprehensive four-year plan that is updated every two years to fulfill these responsibilities. We enter into a massive MOU with over twenty state and local partner programs that describe how services to jobseekers and employers are provided, how we align, share data, coordinate resources, and measure performance.

Statutory Responsibilities:

In 10 VSA 540 the Legislature has named the Commissioner (Department) of Labor as “the leader of workforce education and training in the State” **and assigns “the authority and responsibility for the coordination of workforce education and training within State government.”** The Department of Labor, is tasked with carrying out the following: (*abbreviated*)

- **Establishing an integrated system of workforce education and training for Vermont;**
- Using data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;
- **Developing a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;**
- **Coordinating public and private workforce programs to ensure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.**
- **Facilitating effective communication between the business community and public and private educational institutions,**
- Coordinating intentional outreach and connections between students graduating from Vermont's colleges and universities and employment opportunities in Vermont.

- **Ensuring coordination and nonduplication of workforce education and training activities; and**
- **With the assistance of the Secretaries of Commerce and Community Development, of Human Services, of Education, of Agriculture, Food and Markets, and of Transportation and of the Commissioner of Public Safety, develop and implement a coordinated system to recruit, relocate, and train workers to ensure the labor force needs of Vermont's businesses are met.**

Under federal law, 20 CFR §675 requires that VDOL implement Title I of WIOA to: (*abbreviated*)

- Increase access to, and opportunities for individuals to receive, the employment, education, training, and support services necessary to succeed in the labor market, with a particular focus on those individuals with disabilities or other barriers to employment including out of school youth with the goal of improving their outcomes;
- **Streamline service delivery across multiple programs by requiring colocation, coordination, and integration of activities and information to make the system understandable and accessible for individuals, including individuals with disabilities and those with other barriers to employment, and businesses.**
- **Support the alignment of the workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system at the Federal, State, and local and regional levels;**
- Improve the quality and labor market relevance of workforce investment, education, and economic development efforts by promoting the use of industry and sector partnerships, career pathways, and regional service delivery strategies in order to both provide America's workers with the skills and credentials that will enable them to secure and advance in employment with family-sustaining wages, and to provide America's employers with the skilled workers the employers need to succeed in a global economy;
- Promote accountability using core indicators of performance measured across all WIOA authorized programs, sanctions, and high-quality evaluations to improve the structure and delivery of services through the workforce development system to address and improve the employment and skill needs of workers, job seekers, and employers; and
- Provide workforce development activities through statewide and local workforce development systems to increase employment, retention and earnings of participants and to increase industry-recognized postsecondary credential attainment to improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet skill requirements of employers, and enhance productivity and competitiveness of the nation.

10 VSA § 541a. State Workforce Development Board (*abbreviated*)

The State Workforce Development Board is charged with assisting the Governor in the execution of his or her duties under the Workforce Innovation and Opportunity Act of 2014 and to assist the Commissioner of Labor as specified in section 540. Additionally, the SWDB shall:

- Conduct an ongoing public engagement process throughout the State that brings together employers and potential employees, including students, the unemployed, and incumbent employees seeking further training, to provide feedback and information concerning their workforce education and training needs; and
- Review and approve State-endorsed Career Pathways that reflect a shared vision across multiple sectors and agencies for improving employment outcomes, meeting employers' and workers' needs, and leveraging available State and federal funding; and
- Publicize the State-endorsed Career Pathways, including on websites managed by the Agency of Education, Department of Labor, and Department of Economic Development.

The Board shall have the authority to approve State-endorsed and industry-recognized credentials and certificates, excluding high school diplomas and postsecondary academic degrees, that are aligned with the Career Pathways.

Membership. The Board shall consist of the Governor and the following members who are appointed by the Governor in conformance with the federal Workforce Innovation and Opportunity Act and who serve at his or her pleasure, unless otherwise indicated:

- (1) the Commissioner of Labor;
- (2) two members of the Vermont House of Representatives appointed by the Speaker of the House;
- (3) two members of the Vermont Senate appointed by the Senate Committee on Committees;
- (4) the President of the University of Vermont;
- (5) the Chancellor of the Vermont State Colleges;
- (6) the President of the Vermont Student Assistance Corporation;
- (7) a representative of an independent Vermont college or university;
- (8) a director of a regional technical center;
- (9) a principal of a Vermont high school;
- (10) two representatives of labor organizations who have been nominated by a State labor federation;

- (11) two representatives of individuals and organizations who have experience with respect to youth activities, as defined in 29 U.S.C. § 3102(71);
- (12) two representatives of individuals and organizations who have experience in the delivery of workforce investment activities, as defined in 29 U.S.C. § 3102(68);
- (13) the lead State agency officials with responsibility for the programs and activities carried out by one-stop partners, as described in 29 U.S.C. § 3151(b), or if no official has that responsibility, representatives in the State with responsibility relating to these programs and activities;
- (14) the Commissioner of Economic Development;
- (15) the Secretary of Commerce and Community Development;
- (16) the Secretary of Human Services;
- (17) the Secretary of Education;
- (18) two individuals who have experience in, and can speak for, the training needs of underemployed and unemployed Vermonters; and
- (19) a number of appointees sufficient to constitute a majority of the Board who:
 - (A) are owners, chief executives, or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority;
 - (B) represent businesses with employment opportunities that reflect in-demand sectors and employment opportunities in the State; and
 - (C) are appointed from among individuals nominated by State business organizations and business trade associations.

VDOL's FY 2023 Proposals

1. Workforce Expansion System (\$2.7m one-time over two years)

- (a) Regional Workforce Specialists: Two-year pilot that places (6) workforce expansion specialists in Barre, Bennington, Brattleboro, St. Albans, Rutland and St. Johnsbury regions to focus on workforce expansion by:
- Bridging gap to help job seekers, current and future CTE students to support recruitment and retention.
 - Connecting “supply” (workers) and “demand” (employers) in real time.
 - Developing locally tailored resources, shared labor market information and coordinate regional strategies.
 - Provide technical assistance to employers to help tailor work to attract talent.
 - Work in collaboration with ACCD and regional partners on relocation work to provide career counseling, employment and non-employment referrals, spearhead out-of-state recruitment efforts, support program organizational design and implementation efforts.

Activity	Expense Detail	Total
Workforce Expansion Specialists	\$115,000 x 6 FTE	\$690,000
Program Oversight	.5 FTE (shared with #2 below)	\$60,000
TOTAL	7 Limited-Service FTEs	\$750,000

(b) Relocation Support Specialists: local relocation support specialists provide career counseling, employment and non-employment referrals, make warm handoffs, and remain part of the relocation team for any individual until they are no longer needed. VDOL will also now provide employers with out-of-state recruitment efforts such as hiring events and following up on coordinate, targeted outreach. As part of this effort the Department would also participate in job fairs and other events, as both a coordinator and a participant. Additionally, VDOL is expanding its technological systems to support case management, customer and information management, data collection, information bank, and reporting requirements. As part of this process, the solution will integrate functionality that will enhance communication and information exchange about prospective out-of-state jobseekers, recruitment efforts, and prospective relocators. The funds designated under the program will support the following efforts.

- Funding for existing staff to charge time and expenses to this account while providing relocation services.
- Updating system requirements and associate costs with adapting future CRM to operate for relocation assistance tracking.
- Onboarding a services administrator dedicated to helping employers connect with out-of-state jobseekers. This person will also serve as VDOL's program liaison/manager for relocation activities and participates in planning, organization design, and implementation efforts.
- Onboarding of an event coordinator to spearhead all out-of-state activities (i.e., job fairs, Ft. Drum initiatives, targeted recruitment events, etc.)

Activity	Expense Detail	Total
Relocation Support Specialists	\$350,000 in staff costs over roughly 12 positions	\$325,000
Program Oversight	.5 FTE (shared with #1 above)	\$60,000
Event and logistics Coordinator	1 FTE	\$125,000
Adapt CRM	VDOL and ADS Time	\$25,000
Travel, Supplies, Materials	To support out-of-state activities	\$65,000
TOTAL	1 Limited-Service FTEs	\$600,000

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

Combines the current internship and returnship programs within the Department with this increased investment to support Vermont's workforce and employers through:

- Funding paid 6-to-12-week work-based learning and training opportunities
- Targeting individuals graduating from post-secondary or secondary CTE program, individuals navigating a career change or need pre-employment support and connecting them work paid work experiences.
- Further enhancing Vermont JobLink to detail work-based learning and training (WBLT) opportunities.
- Providing employers with technical assistance to develop and implement meaningful WBLT programs that lead to full-time employment.

Activity	Expense Detail	Total
Paid WBLT Experiences	300 people x 4k average	\$1.2m
Program Coordinator	1 FTE	\$125,000
Technical Assist. Provider Grant	Competitively Awarded	\$50,000
Platform Adaption	VDOL and ADS Time	\$25,000
New Employer Start-Up Grants	To help new employers develop a WBLT pipeline (4 x 25k)	\$100,000
TOTAL	1 Limited-Service FTEs	\$1.5 m*

*1m in new funds, \$500,000k in existing funds

3. Apprenticeship Expansion Funds (\$1m carryforward)

During the 2021 session, the legislature appropriated \$2MM to the Department for apprenticeship expansion activities. To date, the Department has not fully spent this appropriation and is seeking to carry forward up to \$1MM for the following work:

- Reimburse employers for the cost incurred for work tools and personal protective equipment for new apprentices (up to \$300 per participant).
- Continue the work to expand registered apprenticeship programs and participants.

The Workforce Development Division has hired an Assistant Director to oversee the Apprenticeship Program. With this, the Department is confident that this money can be invested to bring new energy to the Apprenticeship program at a crucial time in Vermont's COVID recovery.

Activity	Expense Detail	Total
Tool/Equipment Reimbursement	335 at \$300	\$100,000
New Program Development Grants	6 x \$50k-100k	\$400,000
Related Instruction Costs	100 x \$5k average per person	\$500,000
Promotion and Outreach	TBD – use some portion of funding	

TOTAL		\$1m
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