



DEPARTMENT OF LABOR

**FY 2023 BUDGET
PRESENTATION**

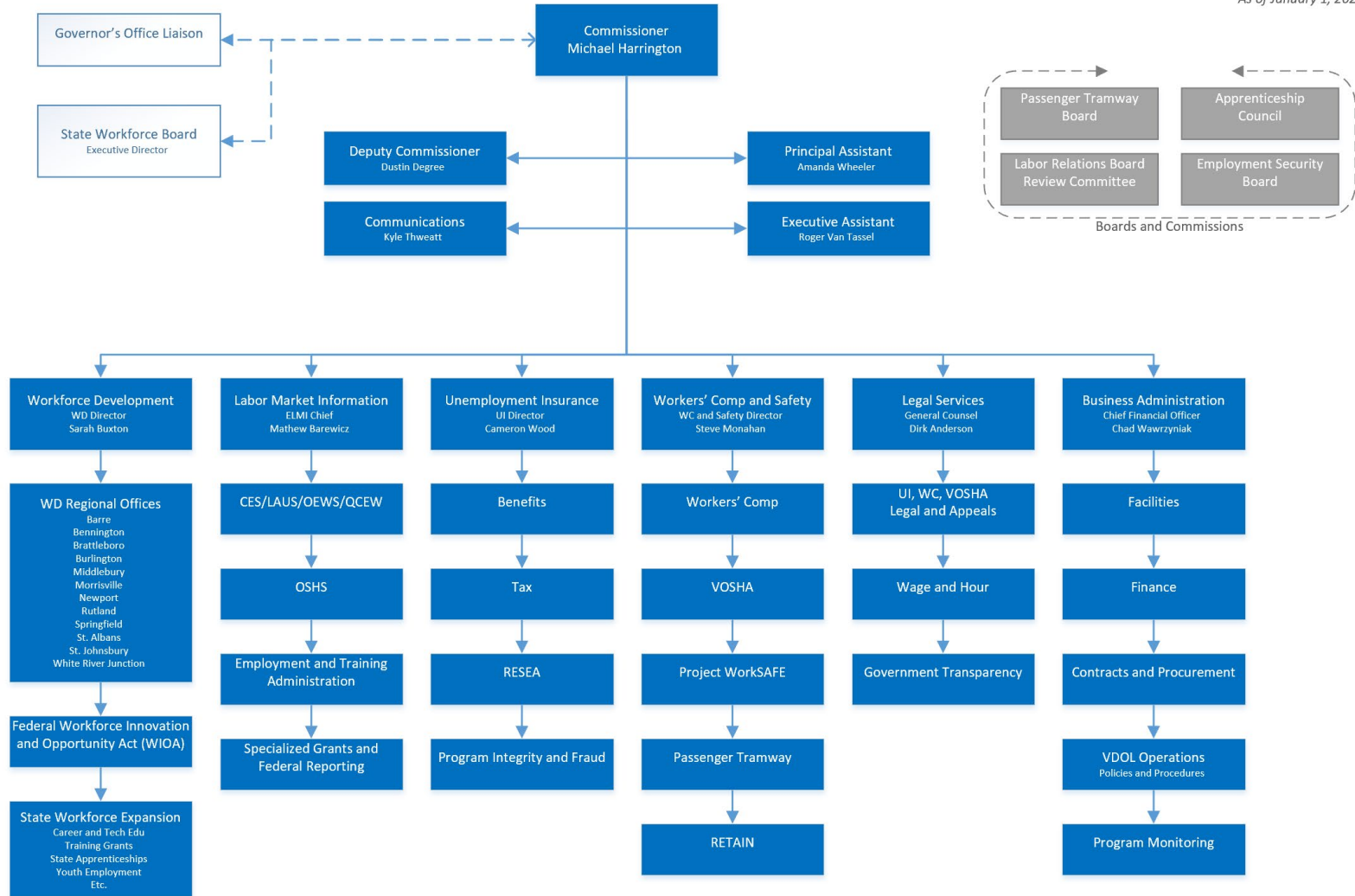
March 8, 2022



STATE OF VERMONT
DEPARTMENT OF

DEPARTMENT FY23 OVERVIEW

As of January 1, 2022

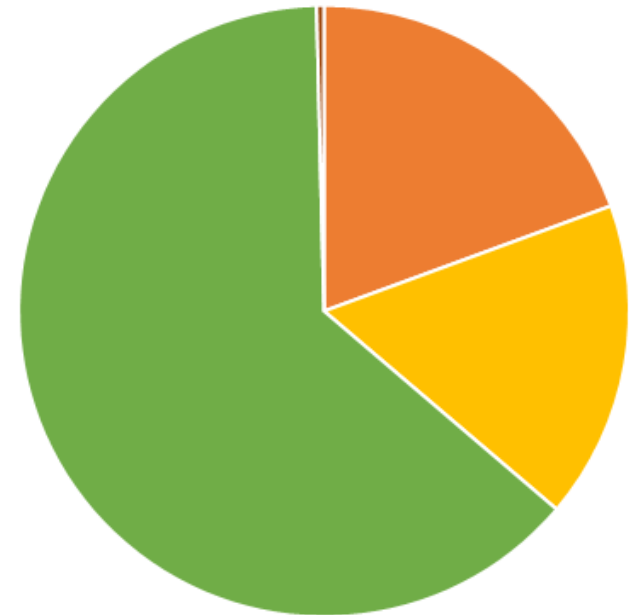


Department Overview and Funding

- **VDOL is over 60% federally funded**
(Compared to 82% in FY19)
- **≈ 245 staff members.**
- **Central Office (Montpelier)**
 - **12 Regional Offices:**
 - Barre
 - Bennington
 - Brattleboro
 - Burlington*
 - Middlebury
 - Morrisville
 - Newport
 - Rutland
 - Springfield
 - St. Albans
 - St. Johnsbury
 - White River Jct.

* Department-owned, federally certified One Stop Job Center

Department of Labor Funding Breakdown



■ General Funds ■ Special Funds ■ Federal Funds ■ Interdepartmental Transfers

General Funds	\$12,449,258
Special Funds	\$10,772,259
Federal Funds	\$40,639,531
Inter Dept. Transfers	\$250,000
Total Budget	\$64,111,048

FY 23 Department Base Budget Overview

Fiscal Year 2023 Budget Development Form - Labor								
	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
VT Department of Labor FY 2022 Approp	5,394,154	0	6,422,539	0	28,658,417	407,612	0	40,882,722
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY22 budget)								0
FY 2022 Other Changes	0	0	0	0	0	0	0	0
Total Approp. After FY 2022 Other Changes	5,394,154	0	6,422,539	0	28,658,417	407,612	0	40,882,722
Administrative Services	-\$2,701							(2,701)
Apprenticeship (State)	\$142							142
Apprenticeship - ASE (federal 2019; expires 6/30/22)					-\$43,000			(43,000)
Apprenticeship - SAE (federal 2017; expires 9/30/21)					-\$968,880			(968,880)
Current Employment Statistics (CES)					\$11,572			11,572
ICAN (SNAP 3SqVT) Administration	2,243					-\$157,612		(155,369)
Local Area Unemployment Statistics (LAUS)					\$38,128			38,128
Foreign Labor Certification					\$28,488			28,488
Labor Market Information - ETA					-\$792			(792)
Mine Safety Health Award (MSHA)					\$4,764			4,764
Occupational Employment and Wages (OES)					-\$1,186			(1,186)
Quarterly Census of Employment Wages (QCEW)					\$18,381			18,381
Reed Act					-\$340,065			(340,065)
Reemployment Services and Eligibility Assessment: RESEA					-\$28,514			(28,514)
RETAIN:Retaining Employment and Talent After Injury/Illness Network					\$17,000,000			17,000,000
Trade Adjustment Assistance (TAA)					\$66,785			66,785
Tramways			\$10,950					10,950
Technology: Project Mgmt WC modernization			\$4,500,000					4,500,000
Technology: Project Mgmt UI modernization	3,000,000							3,000,000
Unemployment Insurance Administration	3,000,000				-\$1,046,032			1,953,968
UI Administration Increases (CARES Act, etc)					-\$3,334,682			(3,334,682)
VT Occupational Safety and Health Administration (VOSHA)					\$142,471			142,471
Wagner-Peyser					\$656			656
WorkSafe			-\$161,230		\$142,900			(18,330)
WIOA - Youth					\$13,930			13,930
WIOA - Adult					\$15,463			15,463
WIOA - Dislocated Worker					\$260,727			260,727
Work Based Learning and Training System	1,000,000							1,000,000
Admin subsidies/Budget Allowances (ADS, DHR, FFS, VISION,Etc)	55,420							55,420
Subtotal of Increases/Decreases	7,055,104	0	4,349,720	0	11,981,114	(157,612)	0	23,228,326
FY 2023 Governor Recommend	12,449,258	0	10,772,259	0	40,639,531	250,000	0	64,111,048

FY 23 SPENDING AUTHORITY

VDOL State FY23 Budget

FY23 Budget FY23 Budget FY23 Budget FY23 Budget FY23 Budget
 FY 22 As passed General Funds Special Funds Federal Funds InterDept Trans Total Change Source of Change

	FY 22 As passed	FY23 Budget General Funds	FY23 Budget Special Funds	FY23 Budget Federal Funds	FY23 Budget InterDept Trans	FY23 Budget Total	Change	Source of Change
1 Alternative Trade Wage	\$245,000			\$245,000		\$245,000	\$0	
2 Administrative Services	\$137,701	\$135,000				\$135,000	-\$2,701	General Funds
3 Apprenticeship (State)	\$799,858	\$800,000				\$800,000	\$142	General Funds
4 Apprenticeship - ASE (federal 2010; expires 6/30/22)	\$43,000			\$0		\$0	-\$43,000	Federal Funds
5 Apprenticeship - SAE20 (federal 2020; expires 6/30/23)	\$450,000			\$450,000		\$450,000	\$0	
6 Apprenticeship - SAE (federal 2017; expires 9/30/21)	\$969,880			\$0		\$0	-\$969,880	Federal Funds
7 BLS OSHA/Census of Fatal Occupational Injuries (CFOI)	\$79,800		\$39,900	\$39,900		\$79,800	\$0	
8 Current Employment Statistics (CES)	\$91,576			\$103,148		\$103,148	\$11,572	Federal Funds
9 Child Support Reemployment	\$45,000				\$45,000	\$45,000	\$0	
10 Child Support Intercept	\$55,000				\$55,000	\$55,000	\$0	
11 Domestic Abuse	\$30,000		\$30,000			\$30,000	\$0	
12 Employee Leasing	\$40,000		\$40,000			\$40,000	\$0	
13 ICAN (SNAP 3SqVT) Administration	\$420,389	\$115,000			\$150,000	\$265,000	-\$155,389	InterDept Trans
14 Local Area Unemployment Statistics (LAUS)	\$199,480			\$234,608		\$234,608	\$39,128	Federal Funds
15 Foreign Labor Certification	\$130,000			\$158,488		\$158,488	\$28,488	Federal Funds
16 Labor Market Information - ETA	\$284,871			\$284,079		\$284,079	-\$792	Federal Funds
17 JVSG (DVOP/LVER)	\$490,897			\$490,897		\$490,897	\$0	
18 Mine Safety Health Award (MSHA)	\$115,236			\$120,000		\$120,000	\$4,764	Federal Funds
19 Misclassification/Coverage Compliance	\$322,128	\$243,820	\$78,308			\$322,128	\$0	
20 Occupational Employment and Wages (OES)	\$176,974			\$175,788		\$175,788	-\$1,186	Federal Funds
21 Quarterly Census of Employment Wages (QCEW)	\$265,569			\$283,950		\$283,950	\$18,381	Federal Funds
22 Reed Act	\$940,065			\$500,000		\$500,000	-\$340,065	Federal Funds
23 Reemployment Services and Eligibility Assessment: RESEA	\$950,486			\$921,972		\$921,972	-\$28,514	Federal Funds
24 RETAIN:Retaining Employment and Talent After Injury/Illness Network	\$1,000,000			\$18,000,000		\$18,000,000	\$17,000,000	Federal Funds
25 State Workforce Development Board	\$282,404	\$282,404				\$282,404	\$0	
26 Trade Adjustment Assistance (TAA)	\$838,697			\$905,472		\$905,472	\$66,785	Federal Funds
27 Trade Readjustment Benefits (TRAA)	\$570,000			\$570,000		\$570,000	\$0	
28 Tramways	\$438,000		\$448,950			\$448,950	\$10,950	Special Funds
29 Technology/Infrastructure/ADS	\$428,000	\$428,000				\$428,000	\$0	
30 Technology: Project Mgmt UI modernization	\$0	\$3,000,000				\$3,000,000	\$3,000,000	General Funds
31 Technology: Project Mgmt WC modernization	\$0		\$4,500,000			\$4,500,000	\$4,500,000	Special Funds
32 Unemployment Insurance Administration	\$9,800,000	\$3,000,000	\$800,000	\$7,953,968		\$11,753,968	\$1,953,968	General Funds
33 UI Administration Increases (CARES Act, etc)	\$3,334,682			\$0		\$0	-\$3,334,682	Federal Funds
34 VT Occupational Safety and Health Administration (VOSHA)	\$1,824,871	\$883,871		\$883,871		\$1,767,342	\$142,471	Federal Funds
35 Wage & Hour/Earned Sick Leave	\$354,846	\$354,846				\$354,846	\$0	
36 Wagner-Peyser	\$2,179,981			\$2,180,637		\$2,180,637	\$656	Federal Funds
37 Workers Compensation	\$4,757,626		\$4,757,626			\$4,757,626	\$0	
38 WorkSafe	\$661,405		\$77,475	\$665,600		\$643,075	-\$18,330	Federal/Special Funds
39 WIOA - Youth	\$2,242,411			\$2,256,341		\$2,256,341	\$13,930	Federal Funds
40 WIOA - Adult	\$2,130,845			\$2,148,308		\$2,148,308	\$15,463	Federal Funds
41 WIOA - Dislocated Worker	\$943,187			\$1,103,914		\$1,103,914	\$260,727	Federal Funds
42 Work Opportunity Tax Credit (WOTC)	\$66,000			\$66,000		\$66,000	\$0	
43 Workforce Expansion (Includes Former Next Gen)	\$1,335,900	\$1,335,900				\$1,335,900	\$0	
44 Youth Employment Program	\$150,000	\$150,000				\$150,000	\$0	
45 Work Based Learning and Training System	\$500,000	\$1,500,000				\$1,500,000	\$1,000,000	
46 Admin subsidies/Budget Allowances (ADS, DHR, FFS, VISION, Etc)	\$165,197	\$220,617				\$220,617	\$55,420	
Total All	40,882,722	\$12,449,258	\$10,772,259	\$40,639,531	\$250,000	\$64,111,048	\$23,228,326	
Funding by Percent of Total		19.42%	16.80%	63.39%	0.39%			
Percent change from FY22 as passed		130.79%	67.73%	41.81%	-38.67%	56.82%		
Dollar change from FY22		\$7,055,104	\$4,349,720	\$11,981,114	-\$157,612	\$23,228,326		

This chart is specific to the Department's request to the Legislature for **Spending Authority** to spend the identified amounts in the identified programs. Included in this chart are both existing funds and requested funds.

FY23 Budget Federal Funds column indicates funds that have been appropriated to the Department by the federal government. For these funds, the Department is seeking *spending authority* of already appropriated or anticipated funds, not an appropriation.

FY23 Base Budget Highlights

Unemployment Insurance

- **\$3,000,000 for UI administration specific to modernization.** This increase in the Department's base funding covers the cost to the business to assign existing staff to the modernization effort and temporarily back-fill those positions while they are reassigned to the project. Following a successful completion of the modernization effort, this \$3,000,000 will be used for ongoing system costs such as licensing, technical support, and system maintenance.
- **\$3,000,000 for general UI administration.** The cost to operate the program at the necessary level exceeds the amount of annual federal UI funding awarded to the state. This additional base funding will be used for necessary staff to administer the program, and new technology that was added as a result of the pandemic.

Workforce Development

- **\$1,000,000 increase to the Work-based Learning and Training initiative.** In FY22, the Department received \$500,000 in its base budget for workforce expansion efforts. This included flexible funding for work-based learning initiatives, such as internships and other on-the-job training opportunities. The addition of \$1,000,000 to the Department's base budget in this area will expand our work-based learning initiatives and allow us to 1) offer more paid internships to Vermonters who are graduating from post-secondary or CTE program, or who are navigating a career change, 2) allow Vermont JobLink to be further expanded to include internship, and 3) provide employers with access to technical assistance specialists to develop and implement meaningful internship programs.

Workers' Compensation

- **Authorization of the expenditure of \$4,500,000 in existing funds to be spent on system modernization.** The WC system modernization project has been on hold for approximately 10 years. The Department, in conjunction with ADS, is now prepared to move forward with the modernization of the WC databased and records system. The funds already exist for this project.

Unemployment Insurance System Modernization

FY23 Budget Request: \$30MM

The UI Mainframe is responsible for administering claimant benefits and employer taxes, and is used for adjudications and appeals processing, federal reporting and compliance, finance management, and the RESEA program. Modernizing this system is essential for program integrity, case management, and deterring and minimizing fraud.

The UI system modernization project consists of two procurements. Additional funding for the underlying system will allow us to move forward with developing an RFP for phase two of this project, which includes replacing the current UI Mainframe.

Phase I (\$3.5MM appropriated in FY22 budget)

- Once vendor has been secured, it is expected to reach completion in 12 to 18 months.
- VDOL and ADS are finalizing the RFP and expect that to be completed..
- Project deliverables include:
 - Identity Verification
 - Claimant Portal
 - Employer Portal
 - Adjudications Management

Phase II (\$30M appropriation in budget bill)

- Phase II is expected to be completed in 36 to 48 months.
- Project deliverables include:
 - Benefits Core
 - Tax Core
 - Fraud Detection and Prevention
 - Electronic Document Management
 - Benefits Accuracy Measurement (BAM)
 - Program Integrity (PI)
 - Employer Auditing
 - Adjudications and Appeals
 - Reemployment Services (RESEA)
 - Federal Reporting

Regional Workforce Expansion System Pilot

FY23 Budget Request: \$2.7MM

This funds a 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.

In-State: Workforce Expansion and Coordination \$1,500,000 (\$750,000 per year for two years)

Appropriate funding to the Vermont Department of Labor to create six workforce specialists, one coordinator, and programming. Specialists will coordinate recruitment and retention activities with regional employers by engaging and assisting CTE students and facilitating employer outreach. Specialists will also create and distribute relevant regional data and provide technical assistance for employers, to tailor work requirements, conditions, and expectations to better access local workers. (\$1,500,000)

Out-of-State: Relocation Assistance Support - \$1,200,000 (\$600,000 per year for two years)

Working with ACCD and regional partners, we will provide career counseling, employment and non-employment referrals, make warm handoffs, and remain part of the relocation team for any individual until we are no longer needed. New to the Department will be assistance provided to employers for out-of-state recruitment efforts such as hiring events and targeted outreach, as well as coordination and administrative support. As part of this effort the Department would also participate in job fairs and other events, as both a coordinator and a participant.

Additionally, the Department 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.)

The Department requests nine (9) limited-service positions for this project in addition to the proposed funding (Seven for in-state efforts and two for out-of-state efforts).

Regional Workforce Expansion System Pilot

In-State: Workforce Expansion and Coordination \$1,500,000 (\$750,000 per year for two years)

Activity	Expense Detail	Total
Workforce Expansion Specialists	\$115,000 x 6 FTE	\$690,000
Program Oversight	.5 FTE	\$60,000
Total Cost		\$750,000
Total Positions Requested: 7 Limited-Service FTE		

Out-of-State: Relocation Assistance Support - \$1,200,000 (\$600,000 per year for two years)

Activity	Expense Detail	Total
Relocation Support Specialists	\$350,000 in staff costs over roughly 12 positions	\$325,000
Program Oversight	.5 FTE	\$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 Cost		\$600,000
Total Positions Requested: 1 Limited-Service FTE		

Work Based Learning and Training

FY23 Budget Request: \$1MM (added to base funding)

This increases funding for the existing Internship Program in the Department’s base budget to expand the work-based learning and training opportunities for jobseekers.

Increased investment in the Internship program will accomplish three key objectives:

- 1. Increase eligibility of 6-12 week paid internships or work-based learning and training opportunities for Vermonters who are graduating from post-secondary or a secondary CTE program, or who are navigating a career change.
- 2. Further enhance Vermont JobLink so that it would be the official landing place for all employers to list their internships and returnships, and for jobseekers to apply for internships/returnships.
- 3. Support employers by offering technical assistance in developing and implementing meaningful internship and work-based learning and training programs.

Activity	Expense Detail	Total
Paid WBLT Experiences	300 people x \$4000 (average)	\$1.2MM
Program Admin.	Oversight, platform adaption	\$25,000
Technical Assistance Provider Grant	Competitively awarded	\$50,000
New Employer Start-Up Grants	To help new employers develop WBLT pipeline	\$100,000
Total Cost		\$1.5MM*

***combines existing funds (\$500K) with new funds requested (\$1MM)**

FY23 Workforce Development

Staff: ≈75

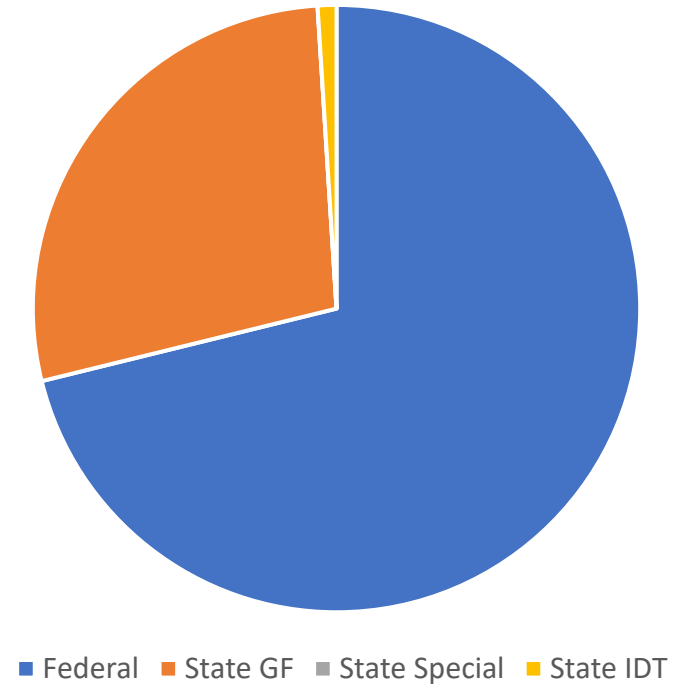
Offices: 12 Regional Offices

Programs:

- WIOA (Federal) The Workforce Innovation Opportunity Act (WIOA) is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.
 - Adult
 - Youth
 - Dislocated Worker
 - Wagner Peyser
 - Apprenticeships
- State Programs and Initiatives

General Funds	\$4,183,304
Special Funds	\$0.00
Federal Funds	\$10,692,847
Interdept. Transfer	\$150,000
Total Division Budget	\$15,026,151

Funding Sources

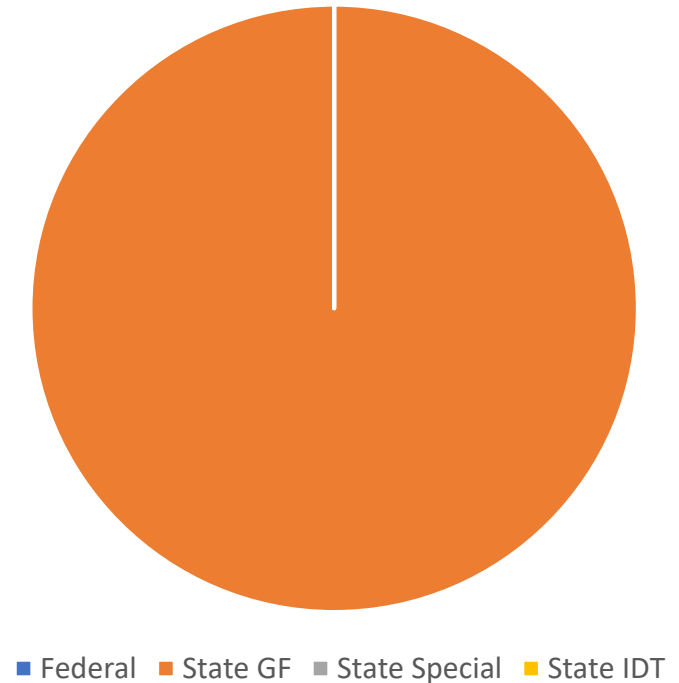


FY23 Workforce Development Board

Staff: 2

As the designated State Workforce Development Board under the federal WIOA program, the State Workforce Development board advises the Governor and the Commissioner of Labor on the development and implementation of a comprehensive, coordinated, and responsive workforce education and training system

Funding Sources



General Funds	\$282,404
Special Funds	\$0
Federal Funds	\$0
Interdept. Transfer	\$0
Total Division Budget	\$282,404

FY23 Unemployment Insurance

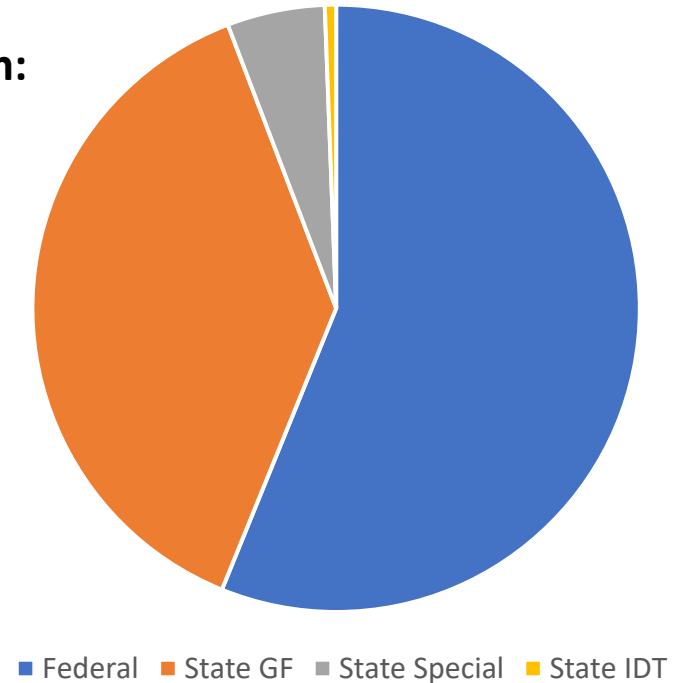
Staff: ≈ 120

Functions of the Unemployment Insurance Program:

- Claims processing
- Employer Contributions
- Program Integrity
- Benefits Accuracy Management
- RESEA (reemployment)
- Fraud detection and prevention
- Adjudications
- Appeals

General Funds	\$6,354,846
Special Funds	\$870,000
Federal Funds	\$9,375,940
Interdept. Transfer	\$100,000
Total Division Budget	\$16,700,786

Funding Sources



FY23 Workers' Compensation and Safety

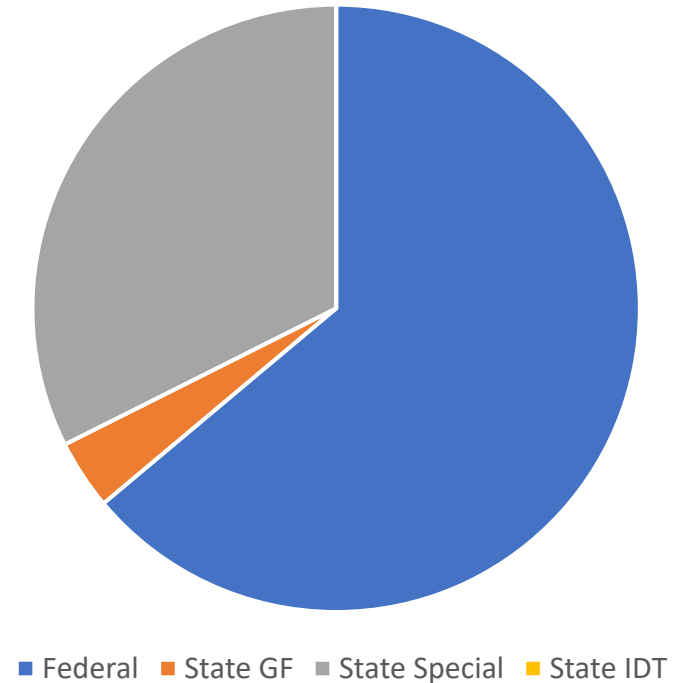
Staff: ≈ 40

Programs:

- Workers' Compensation
- Project WorkSAFE (Part. Fed)
- Passenger Tramway
- VOSHA (50% Fed)
- RETAIN (Fed Grant)

General Funds	\$1,127,491
Special Funds	\$9,862,359
Federal Funds	\$19,449,271
Interdept. Transfer	\$0
Total Division Budget	\$30,439,121

Funding Sources

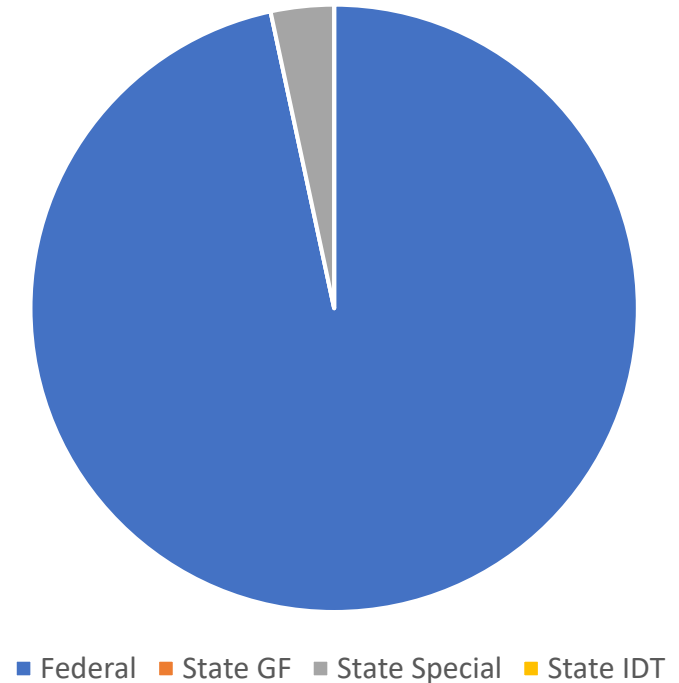


FY23 Labor Market Information

Staff: ≈ 12

The Economic & Labor Market Information (E&LMI) Division's purpose is to produce, disseminate and explain economic data for the benefit of the State of Vermont. Target audiences include elected officials, businesses, educational institutes, students, job-seekers, researchers, and the general public.

Funding Sources



General Funds	\$0
Special Funds	\$39,000
Federal Funds	\$1,121,473
Interdept. Transfer	\$0
Total Division Budget	\$1,161,373