



# Workforce 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***

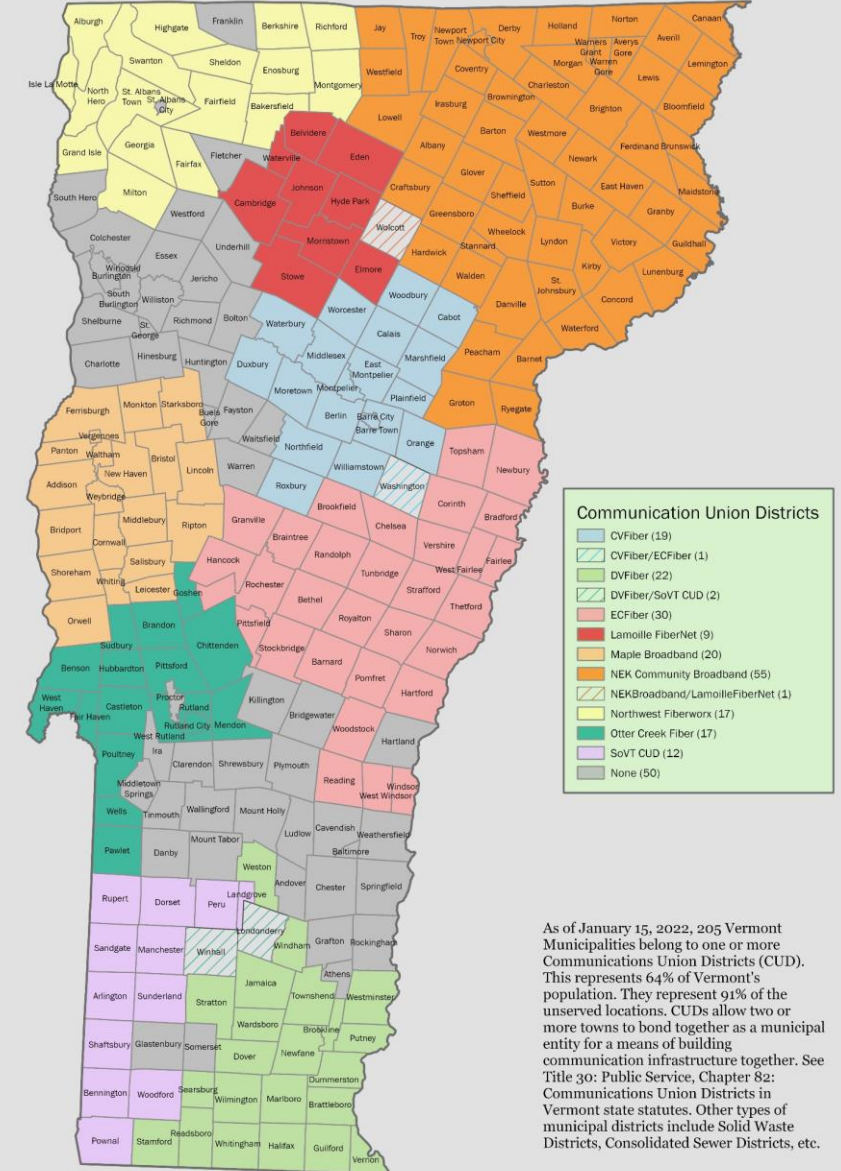
## Recommendation

- **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.

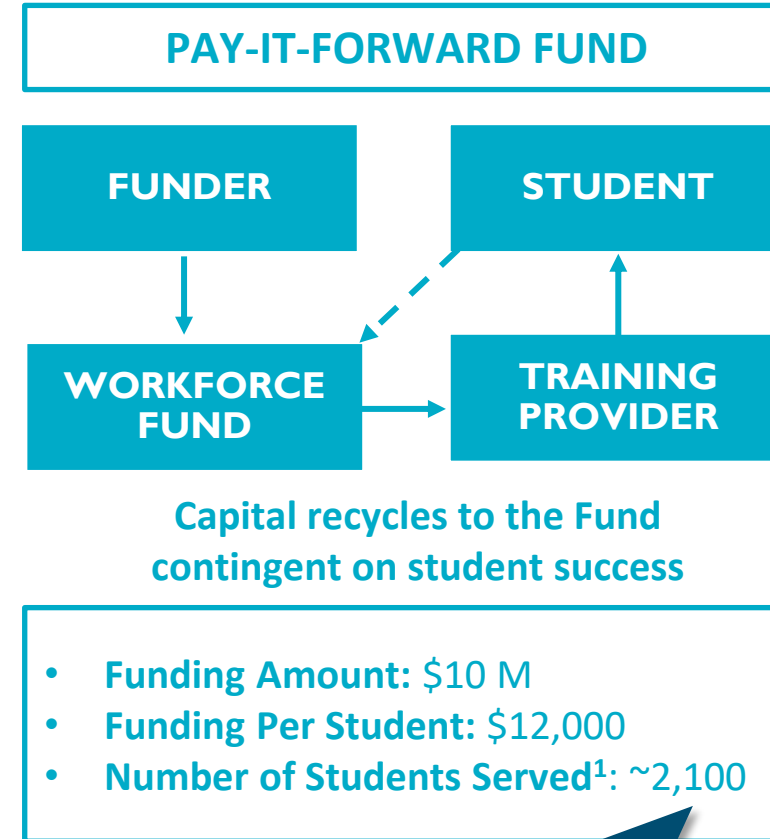
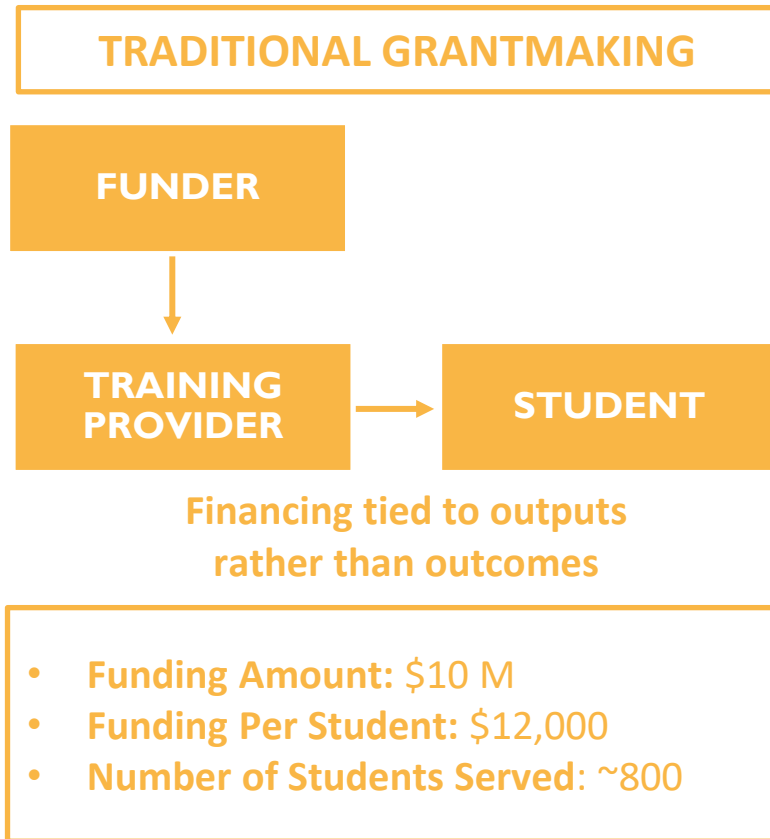
# CHALLENGE: Labor Shortages

## 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. VTC is now running the second course, which is now a certified program.
- 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

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## 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.***

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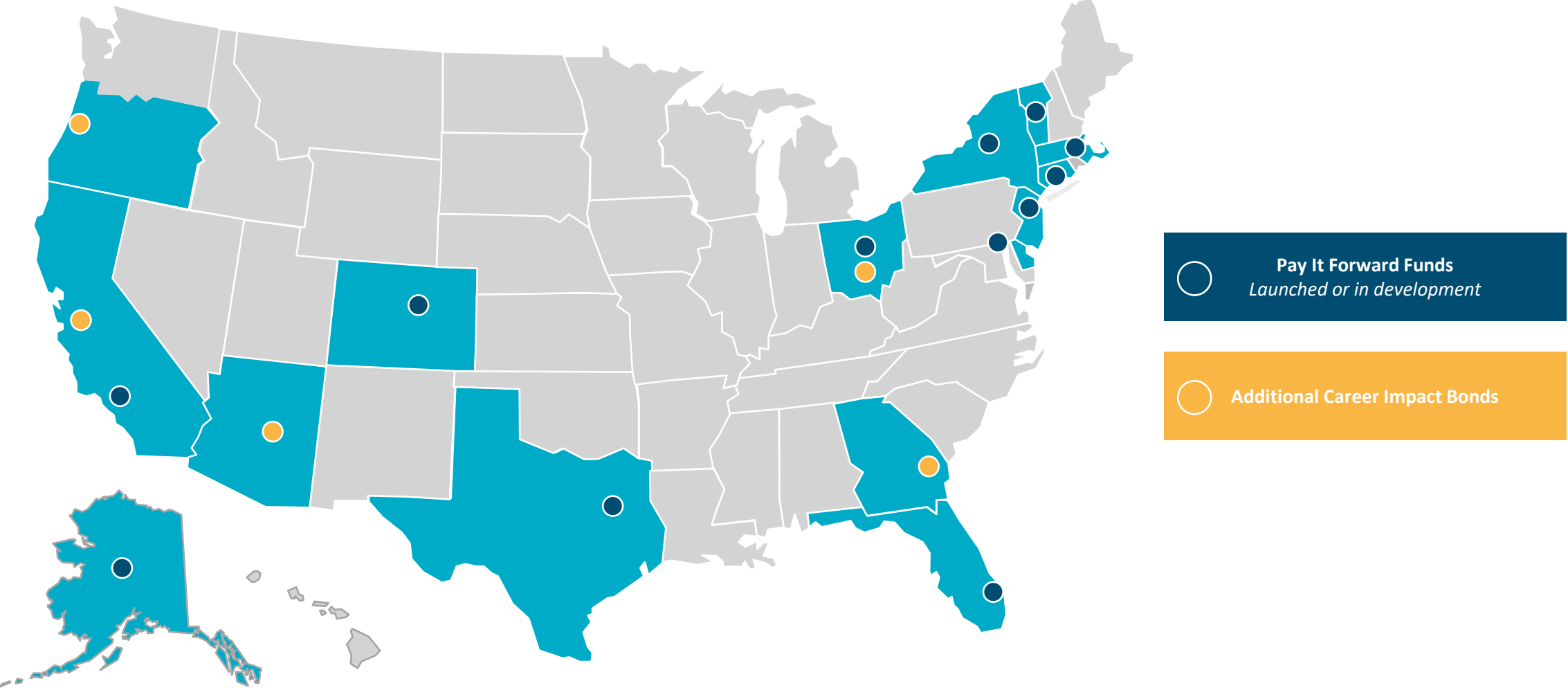
## REPAY

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 \$15 million identified in H.703 in sectors that would benefit**
- **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.

# Related Sector Funding

There is significant funding proposed in H.703 to address Workforce Development in sectors that would benefit from a PIFF fund.

- \$6,000,000.00 to VSU to double the nursing program capacity
- \$3,000,000.00 for UVM to scale up its nursing program by 50 percent
- \$5,000,000.00 to the UVM Office of Engagement to administer and equitably grant a statewide grant program of \$5,000.00 per graduate for recent college graduates of Vermont higher education institutions who stay to work in Vermont.
- \$3,000,000.00 to VSAC to administer up to \$3,000.00 per individual for matching grants for paid Vermont internships or registered apprenticeships where the grant matches employer contribution up to the grant limit.
- \$2,000,000.00 to the State Refugee Office to administer as grant to refugee- or New American-focused programs working in Vermont, to support increased in-migration or retention of recent arrivals.
- \$1,500,000.00 to the Department of Corrections to grant to expand capacity of Community Justice Centers or other retraining nonprofit organizations, or both, who work with justice-involved, or recently justice-involved, individuals to support adults with low-level offenses in finding job training, upskilling, and record expunging opportunities so they can fully participate in the labor force.
- \$2,000,000.00 to ACCD to regrant to entities working to scale investments in sector and occupation career pathways to complete Vermont Talent Pipelines for all the priority sectors and occupations within two years, with priority given to recipients of Good Jobs funding. Primary sectors: construction, health care, manufacturing (food and durable goods), digital marketing, accounting, product development, supply chain, energy system, software development, and outdoor recreation.

# Proposed Language

**"In order to receive funding outlined in H703 - (1)(B), (C), (2)(A), (B), (D), (G), and (3)(B), The Vermont Community Broadband Board, VSU, UVM, VSAC, Vermont Refugee Office, the Department of Corrections and the ACCD shall investigate and assess developing an outcomes-based and recyclable funding mechanism to deploy state workforce funding for re- and up-skilling individuals in strategic sectors. Include in 703 language to require the Office of Workforce Innovation to include a feasibility study to assess creating a recyclable and outcome-based funding mechanism to deploy state workforce training funding for re- and up-skilling individuals in strategic sectors. All findings and recommendations shall be included in a report to the Vermont Workforce Development Board."**



Questions?