

1 S.173

2 Introduced by Senator Ram Hinsdale

3 Referred to Committee on Econ. Dev., Housing and General Affairs

4 Date: January 6, 2026

5 Subject: Labor; workers' compensation; vocational rehabilitation; State

6 Employees Labor Relations Act; Vermont Labor Relations Board;

7 mediator

8 Statement of purpose of bill as introduced: This bill proposes to remove the
9 references to vocational rehabilitation screening, to allow injured workers to
10 initiate vocational rehabilitation services if the employer fails to do so, and to
11 ensure that injured workers are fully informed of their right to access
12 vocational rehabilitation services. This bill also proposes to provide free
13 mediation services to public and private sector employers and employees by
14 authorizing and funding the position of State Mediator within the office of the
15 Vermont Labor Relations Board.

~~An act relating to workers' compensation and the Vermont Labor Relations Board~~

An act relating to vocational rehabilitation and apprenticeships

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~Sec. 1. 21 V.S.A. § 641 is amended to read:~~

3 § 641. VOCATIONAL REHABILITATION

4 (a) When as a result of an injury covered by this chapter, an employee is
5 unable to perform work for which the employee has previous training or
6 experience, the employee shall be entitled to vocational rehabilitation services,
7 including retraining and job placement, as may be reasonably necessary to
8 restore the employee to suitable employment. Vocational rehabilitation
9 services shall be provided as follows:

10 (1) The employer shall designate a vocational rehabilitation provider
11 from a list provided by the Commissioner to initially provide services.
12 Thereafter, absent good cause, the employee may have only one opportunity to
13 select another vocational rehabilitation provider from a list provided by the
14 Commissioner upon giving the employer written notice of the employee's
15 reasons for dissatisfaction with the designated provider and the name and
16 address of the provider selected by the employee.

17 (2) The Department shall provide an injured worker with a form that
18 includes information and employee rights. The form shall clearly and simply
19 explain the worker's rights, including the choice of provider, the right to
20 challenge a determination, the right to request vocational rehabilitation

21 ~~services in the future if the work injury affects the worker's ability to earn the~~

1 ~~worker's pre-injury wage and reimbursement for related expenses. The~~

2 worker shall sign the form and return it to the Department.

3 (5) The Commissioner shall adopt rules to ensure that a worker who
4 requests services or who has been out of work for more than 90 days is timely
5 ~~and cost-effectively screened for benefits under this section~~ referred to a
6 vocational rehabilitation counselor. The rules shall:

7 (A) Provide that all vocational rehabilitation work, ~~except for initial~~
8 ~~screenings,~~ be performed by a Vermont-certified vocational rehabilitation
9 counselor, including counselors currently certified pursuant to the rules of the
10 Department. ~~Initial screenings shall be performed by an individual with~~
11 ~~sufficient knowledge or experience to perform adequately the vocational~~
12 ~~rehabilitation screening functions.~~

13 (B) Provide for an initial screening to determine whether a full
14 assessment is appropriate. ~~An injured worker who is determined to be eligible~~
15 ~~for a full assessment shall be timely assessed and offered appropriate~~
16 ~~vocational rehabilitation services. [Repealed.]~~

17 (C) Provide a mechanism for a periodic and timely screening of
18 injured workers who are initially found not to be ready or eligible for a full
19 assessment to determine whether a full assessment has become appropriate.

20 ~~[Repealed.]~~

1 ~~(D) Protect against potential conflicts of interest in the assignment~~
2 ~~and performance of initial screenings. [Repealed.]~~

3 (E) Ensure the injured worker has a choice of a vocational
4 rehabilitation counselor.

5 (F) Ensure the injured worker may initiate vocational rehabilitation
6 services with the worker's chosen vocational rehabilitation provider if the
7 employer fails to assign a vocational rehabilitation provider within 90 days
8 following the worker being out of work.

9 * * *

10 Sec. 2. 3 V.S.A. § 922 is amended to read:

11 § 922. OFFICE SPACE; EMPLOYEES; MEDIATOR

12 (a) The Secretary of Administration shall, upon request by the State Labor
13 Relations Board, allow the Board the responsible use of public buildings under
14 his or her the Secretary's control and furnish heat, light, and furniture for any
15 meeting or hearing called by the Board.

16 (b) The Board may employ such employees and agents as it deems
17 necessary, and may employ a reporter for taking and transcribing testimony in
18 hearing before it.

19 (c) The Board may employ a mediator to provide free mediation services to
20 public and private sector collective bargaining units and employers upon
21 reaching impasse during collective bargaining.

~~Sec. 3. VERMONT LABOR RELATIONS BOARD; POSITION;~~

~~APPROPRIATION~~

~~(a) The position of a full-time, permanent, classified mediator is created in the office of the Vermont Labor Relations Board.~~

~~(b) In fiscal year 2027, the amount of \$115,000.00 is appropriated from the General Fund to the Vermont Labor Relations Board for salary and benefits for the position of mediator.~~

~~Sec. 4. EFFECTIVE DATE~~

~~This act shall take effect on July 1, 2026.~~

~~Sec. 1. 21 V.S.A. § 641 is amended to read:~~

~~§ 641. VOCATIONAL REHABILITATION~~

~~(a) *When as a result of an injury covered by this chapter, an employee is unable to perform work for which the employee has previous training or experience, the employee shall be entitled to vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore the employee to suitable employment. Vocational rehabilitation services shall be provided as follows:*~~

~~(1) *The employer shall designate a vocational rehabilitation provider from a list provided by the Commissioner to initially provide services. Thereafter, absent good cause, the employee may have only one opportunity to select another vocational rehabilitation provider from a list provided by the Commissioner upon giving the employer written notice of the employee's reasons for dissatisfaction with the designated provider and the name and address of the provider selected by the employee.*~~

~~(2) *The Department shall provide an injured worker with a form that includes information and employee rights. The form shall clearly and simply explain the worker's rights, including the choice of provider; the right to challenge a determination, the right to request vocational rehabilitation services in the future if the work injury affects the worker's ability to earn the worker's preinjury wage, and reimbursement for related expenses. The worker shall sign the form and return it to the Department.*~~

~~(3) The Commissioner shall adopt rules to ensure that a worker who requests services or who has been out of work for more than 90 days is timely and cost-effectively screened for benefits under this section referred to a vocational rehabilitation counselor. The rules shall:~~

~~(A) Provide that all vocational rehabilitation work, except for initial screenings, be performed by a Vermont-certified vocational rehabilitation counselor, including counselors currently certified pursuant to the rules of the Department. Initial screenings shall be performed by an individual with sufficient knowledge or experience to perform adequately the vocational rehabilitation screening functions.~~

~~(B) Provide for an initial screening to determine whether a full assessment is appropriate. An injured worker who is determined to be eligible for a full assessment shall be timely assessed and offered appropriate vocational rehabilitation services. [Repealed.]~~

~~(C) Provide a mechanism for a periodic and timely screening of injured workers who are initially found not to be ready or eligible for a full assessment to determine whether a full assessment has become appropriate. [Repealed.]~~

~~(D) Protect against potential conflicts of interest in the assignment and performance of initial screenings. [Repealed.]~~

~~(E) Ensure the injured worker has a choice of a vocational rehabilitation counselor.~~

~~(F) Ensure the injured worker may initiate vocational rehabilitation services with the worker's chosen vocational rehabilitation provider if the employer fails to assign a vocational rehabilitation provider within 90 days following the worker being out of work.~~

* * *

Sec. 2. VOCATIONAL REHABILITATION WORKING GROUP; REPORT

~~(a) Creation. There is created the Vocational Rehabilitation Working Group to provide recommendations to the General Assembly on how to improve the current vocational rehabilitation system to ensure that it meets the needs of eligible injured workers in a timely and cost-effective manner.~~

~~(b) Membership. The Working Group shall be composed of the following members:~~

~~(1) the Director of Workers' Compensation and Safety or designee;~~

~~(2) two representatives on behalf of workers' compensation claimants, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees;~~

~~(3) two representatives on behalf of employers and workers' compensation insurance carriers, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees; and~~

~~(4) two vocational rehabilitation counselors currently certified in Vermont, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees.~~

~~(c) Powers and Duties. The Working Group shall meet over the summer and fall to discuss and develop recommendations on how to improve the current vocational rehabilitation system and prepare recommendations for consideration by the General Assembly. The Working Group shall consider the following questions:~~

~~(1) What mechanisms could better identify which claimants are likely to require vocational rehabilitation services?~~

~~(2) Could utilization of vocational services be improved by enabling claimants to access vocational rehabilitation benefits while receiving wage replacement benefits?~~

~~(3) Could the workers' compensation system take into account the diminished earning capacity of those claimants who are unable to earn a preinjury wage but are not eligible to receive permanent total disability benefits?~~

~~(4) Should the average weekly wage be indexed to the cost of living for vocational rehabilitation purposes?~~

~~(5) What improvements could be made to ensure that vocational rehabilitation providers who provide services to workers' compensation claimants are familiar with Vermont's workers' compensation system?~~

~~(6) Are some of the current requirements for providing vocational rehabilitation services too onerous and administratively unnecessary?~~

~~(7) How could the Department of Labor's oversight of vocational rehabilitation be improved?~~

~~(8) How could vocational rehabilitation services be provided in a way that is more cost effective for the workers' compensation system?~~

~~(d) Meetings. The Director of Workers' Compensation and Safety shall call the first meeting of the Working Group to occur on or before August 14, 2026.~~

~~(e) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Department of Labor.~~

~~(f) Report. On or before December 15, 2026, the Working Group shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action. The Working Group shall cease to exist upon submission of the report.~~

~~(g) Compensation and reimbursement. Except for those members regularly employed by the State, members of the Working Group shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the Department of Labor.~~

Sec. 1. 21 V.S.A. § 641 is amended to read:

§ 641. VOCATIONAL REHABILITATION

(a) When as a result of an injury covered by this chapter, an employee is unable to perform work for which the employee has previous training or experience, the employee shall be entitled to vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore the employee to suitable employment. Vocational rehabilitation services shall be provided as follows:

* * *

(2) The Department shall provide an injured worker with a form that includes information and employee rights. The form shall clearly and simply explain the worker's rights, including the choice of provider; the right to challenge a determination, the right to request vocational rehabilitation services in the future if the work injury affects the worker's ability to earn the worker's preinjury wage, and reimbursement for related expenses. The worker shall sign the form and return it to the Department.

* * *

Sec. 2. VOCATIONAL REHABILITATION WORKING GROUP; REPORT

(a) Creation. There is created the Vocational Rehabilitation Working Group to provide recommendations to the General Assembly on how to improve the current vocational rehabilitation system to ensure that it meets the needs of eligible injured workers in a timely and cost-effective manner.

(b) Membership. The Working Group shall be composed of the following members:

(1) one current member of the House of Representatives, appointed by the Speaker of House, who shall be a member of the Committee on Commerce and Economic Development;

(2) one current member of the Senate, appointed by the Committee on Committees, who shall be a member of the Committee on Economic Development, Housing and General Affairs;

(3) the Commissioner of Labor or designee;

(4) the Commissioner of Financial Regulation or designee;

(5) two representatives on behalf of workers' compensation claimants, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees;

(6) two representatives on behalf of employers and workers' compensation insurance carriers, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees; and

(7) two vocational rehabilitation counselors currently certified in Vermont, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees.

(c) Powers and duties. The Working Group shall meet over the summer and fall to discuss and develop recommendations on how to improve the current vocational rehabilitation system and prepare recommendations for consideration by the General Assembly. The Working Group shall consider the following topics:

(1) Initial screening.

(A) Is the current initial screening requirement relevant and helpful or a hindrance to accessing vocational rehabilitation services?

(B) Do other states require an initial screening before a claimant receives a vocational rehabilitation assessment? What are other possible approaches that Vermont may wish to consider?

(C) Should the three questions currently asked as part of the initial screening be modified? Are there additional or different questions that should be asked?

(D) What improvements could be made to ensure that those conducting the initial screenings and vocational rehabilitation providers who

provide services to workers' compensation claimants are familiar with Vermont's workers' compensation system?

(E) Who has current oversight over the initial screening process to ensure that the system is working as intended?

(2) Vocational rehabilitation generally.

(A) What mechanisms could better and earlier identify which claimants are likely to require vocational rehabilitation services?

(B) Are claimants being adequately and timely informed of their right to request a vocational rehabilitation assessment? Is information about the workers' compensation system and benefits as a whole being clearly conveyed in plain, easily understood language?

(C) Are some of the current requirements for providing vocational rehabilitation services too onerous and administratively unnecessary?

(D) How could vocational rehabilitation services be provided in a way that is more cost-effective for the workers' compensation system?

(E) How could the Department of Labor's oversight of vocational rehabilitation be improved?

(3) Wage replacement benefits.

(A) Could utilization of vocational services be improved by enabling claimants to access vocational rehabilitation benefits while receiving wage replacement benefits?

(B) Could the workers' compensation system take into account the diminished earning capacity of those claimants who are unable to earn a preinjury wage but are not eligible to receive permanent total disability benefits?

(C) Should the average weekly wage be indexed to the cost of living for vocational rehabilitation purposes?

(d) Meetings. The Commissioner of Labor or designee shall serve as the chair of the Working Group and shall call the first meeting of the Working Group to occur on or before August 14, 2026.

(e) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Department of Labor.

(f) Report. On or before December 15, 2026, the Working Group shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing

and General Affairs with its findings and any recommendations for legislative action. The Working Group shall cease to exist upon submission of the report.

(g) Compensation and reimbursement.

(1) Except for those members regularly employed by the State, members of the Working Group shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the Department of Labor.

(2) A legislative member of the Working Group serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than five meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 3. 21 V.S.A. chapter 13 is amended to read:

CHAPTER 13. APPRENTICESHIP

§ 1111. DEFINITIONS

As used in this chapter:

* * *

(22) “Nontraditional ~~apprenticeship~~ population” means a group of individuals who have historically been excluded from various occupations, such as individuals from the same gender, race, or ethnicity, the members of which comprise fewer than 25 percent of the program participants in an apprenticeable occupation.

(23) “Nontraditional apprenticeship industry or occupation” refers to an industry sector or occupation that represents fewer than 10 percent of apprenticeable occupations or the programs under the national apprenticeship system, using the calendar year 2023 as the benchmark.

* * *

(33) “Underserved communities” means the populations sharing a particular characteristic, as well as geographic communities, who have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life. This term includes individuals who ~~belong to communities of color, such as Black and African American, Hispanic and Latino, Native American, Alaskan Native and Indigenous, Asian American, Native Hawaiian and Pacific Islander, Middle Eastern, and North African persons. It also includes individuals who belong to communities that face discrimination based on sex, sexual orientation, and gender identity, including lesbian, gay, bisexual, transgender, queer, gender non-conforming, and non-~~

~~binary (LGBTQ+ persons); persons who face discrimination based on pregnancy or pregnancy-related conditions; parents; and caregivers. It also includes individuals who belong to communities that face discrimination based on their religion and disability; first-generation professionals or first-generation college students; individuals with limited English proficiency; immigrants; individuals who belong to communities that may face employment barriers based on older age or former incarceration; persons who live in rural areas; veterans and military spouses; and persons otherwise adversely affected by persistent poverty, discrimination, or inequality;~~

~~(A) face employment barriers based on age or former incarceration;~~

~~(B) live in rural areas;~~

~~(C) lack access to transportation options or high-speed internet;~~

~~(D) are veterans or spouses of veterans; and~~

~~(E) are otherwise adversely affected by poverty, discrimination, or inequality. Individuals may belong to more than one underserved community and face intersecting barriers.~~

* * *

§ 1113. VERMONT REGISTERED APPRENTICESHIP PROGRAM

* * *

~~(e) Strategic planning and reporting. The Vermont Registered Apprenticeship Program shall:~~

~~(1) develop and disseminate a strategic plan once every five years, beginning on July 1, 2024 2026, which shall include information on how the Program will implement the requirements of this chapter;~~

~~(2) prepare and submit to the Vermont General Assembly an annual report on the status of the Vermont Registered Apprenticeship Program on or before December 1 of each year that includes:~~

~~(A) general ~~program~~ Program statistics, including a list of programs by county;~~

~~(B) an analysis of apprentices in the ~~program~~ Program disaggregated by age, race, sex, gender identity, ~~New American status~~ language access needs, Veteran status, disability, industry, and education status, including participation in career and technical education;~~

~~(C) nontraditional occupations by gender and race;~~

~~(D) new occupations approved;~~

(E) *an analysis of the average starting and ending wage by occupation;*

(F) *new sponsors, employers, or industries involved with programs over the previous period;*

(G) *a summary of how allocated funds were used and analysis of the impact of those funds, including uses of any federal funds awarded during the year; and*

(H) *a summary of significant activities of the ~~program~~ Program.*

§ 1114. VERMONT APPRENTICESHIP ADVISORY BOARD

* * *

(c) *Duties. The Board shall:*

* * *

(6) *Create and convene working groups that are tasked with specific activities related to improving the quality, safety, diversity, and alignment of apprenticeship programs. Working group membership is not limited to appointed members of the Board and shall be selected and serve at the discretion of the Chair.*

(7) *Ensure that the registered apprenticeship program addresses barriers to participation and completion of the program, including underserved populations.*

(8) *Strengthen relationships with community partners that serve:*

(A) *underserved populations and historically marginalized communities that have not previously accessed apprenticeship programs; and*

(B) *individuals who face systemic barriers to participation in the program as evidenced by a disproportionate lack of participation in apprenticeship programs.*

* * *

§ 1119. APPRENTICES REGISTERED; AGREEMENT

* * *

(c) *An apprenticeship agreement shall contain:*

(1) *the names and signatures of the apprentice, of the program sponsor or employer, and of a parent or guardian of the apprentice if the apprentice is a minor;*

(2) *the date of birth ~~and Social Security number~~ of the apprentice;*

(3) *the contact information of the program sponsor and the Vermont Registered Apprenticeship Program*;

(4) *a statement of the occupation in which the apprentice is to be trained and the beginning date and duration of apprenticeship*;

* * *

(12) *to conform to the federal Equal Employment Opportunity Act of 1972, 42 U.S.C. chapter 21, subchapter VI and for affirmative action compliance in apprenticeship programs, and for compliance with reporting and analysis of the Vermont Registered Apprenticeship Program, the voluntary disclosure of the apprentice's race, color, national origin, place of birth, sex, gender, gender identity, primary language spoken, age, veteran status, sexual orientation, ~~ethnicity~~, and disability status; and*

(13) *if the apprentice completed secondary school in Vermont and is between 18 and 25 years of age, the name of the secondary school from which the apprentice is a graduate, and if the apprentice attended a regional CTE center, the name of the center where the apprentice received technical education while in secondary school*;

(14) *a statement that the apprentice will be accorded equal opportunity in all phases of apprenticeship employment and training, without discrimination because of race, color, national origin, place of birth, sex, gender, gender identity, sexual orientation, age, primary language spoken, genetic information, veteran status, and disability status; and*

(15) *optional fields for:*

(A) *the Social Security number of the apprentice; and*

(B) *the demographic characteristics of the apprentice.*

(d) *An apprenticeship agreement shall not be modified unless it is in writing and signed by the parties.*

* * *

§ 1123. PRE-APPRENTICESHIP PROGRAMS

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(b) *A pre-apprenticeship program may be ~~registered~~ certified by the Department after successfully demonstrating:*

* * *

§ 1124. YOUTH APPRENTICESHIP PROGRAMS

(a) *A youth apprenticeship program is one that prepares a youth apprentice for acceptance into an apprenticeship program and is designed for youth apprentices who start the program while still enrolled in high school:*

(1) have not completed secondary education;

(2) are in an educational program approved by the Agency of Education; and

(3) are enrolled in a career technical education program.

(b) *A youth apprenticeship program may be registered by the Department after submitting a regional CTE center submits the following information to the Department:*

(1) a written plan that articulates the work processes and how a youth apprentice will receive supervised work experience and on-the-job training or training in an experiential setting;

(2) how time spent by a youth apprentice in each major work process will be spent or that specifies how competencies or proficiencies are aligned between ~~their~~ the youth's high school education and the youth apprenticeship program, and that states which graduation requirements will be met;

(3) a description of the mentoring that will be provided to the youth apprentice;

(4) a description or timeline explaining the periodic reviews and evaluations of the youth ~~apprentices~~ apprentice's performance on the job and in related technical instruction;

(5) a process for maintaining appropriate progress records, including the reviews and evaluations;

(6) a description of related classroom-based instruction, which may be fulfilled through dual or concurrent enrollment ~~in secondary or post-secondary~~ courses;

(7) whether and how the program is aligned with high school diploma requirements ~~and career clusters;~~

(8) whether the program meets the related technical instruction requirements for an apprenticeship program;

(9) if a program includes paid work during or outside the school year and outside the school day, a progressively increasing, clearly defined schedule of wages to be paid to the youth apprentice as skills are mastered;

*(10) how the program prepares the youth apprentice for placement in further education, employment, or ~~an~~ a registered apprenticeship program;
~~and~~*

(11) ~~the terms by which the program grants advanced standing or credit to individuals applying for the youth apprenticeship with demonstrated competency or acquired experience, training, or skills~~ the procedure for advanced standing that grants credit for demonstrated competency, acquired experience, training, or skills to youths who are interested in transferring to full apprenticeship registration upon completion of the youth apprenticeship program;

(12) an accounting of costs for the program covered by the participating partners, grants, or other sources of funds; and

(13) an assurance that school staff, employer partners, and others involved in the program are aware of youth legal protections regarding child labor, wage payment, and youth apprenticeship and other applicable laws and regulations.

(c) An apprenticeship plan submitted in conformity with subsection (b) of this section shall be developed in partnership with apprenticeship sponsors for specific occupational areas and sending high schools.

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Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.