



**STATE OF VERMONT
OFFICE OF THE STATE AUDITOR**

To: House Committee on Commerce and Economic Development
Re: Testimony - Vermont Training Program (VTP) performance measures
Date: 27 January 2026

Performance measurement is an essential tool for program managers, policymakers and taxpayers. After many false starts, the State is making some progress on performance measurement (PM).

The Auditor's Office routinely includes PM in its audit objectives, and we will continue to do so. For now, I have chosen to drill down to a level not yet examined by the Administration's Performance Office. That is, the validity and accuracy of the data submitted for the [Annual Report](#) and also presented in budget documents and departmental annual reports.

For this exercise, I reviewed PM data from six programs operated by the Department of Economic Development. I started with VTP, which reports information based on questionable methodology. The wage data is required by statute so I bring it to your attention in hopes you will consider revisions.

The VTP enabling [statute](#) calls for three outcome measures, including median aggregate wage increases for trainees compared to statewide average increase for all occupations.

There are a number of weaknesses here. First, VTP does not report disaggregated wage data, only median income. This is not optimal. The VTP relies on the Vermont Department of Labor (VDOL) for wage data but there are weaknesses in the methodology. For example:

- The VDOL does not report hourly wages; only changes in earned income for workers before and after the training. This ignores the impact of possible changes in hours worked.
- The median is the midpoint and is useful for many purposes, but it ignores the distribution of wage increases. Policymakers would benefit from getting income changes by range, such as quintiles.
- Trainee wage data is compared with statewide figures, which are not apples-to-apples because the distribution of trainee occupations is nothing like the statewide mix. For example, in 2025, 67% of VTP-trainees were in "advanced manufacturing", while only 11% of statewide jobs are in manufacturing. And though 12% of statewide jobs are in tourism & recreation, none received VTP-funded training. Such comparisons should track employees in similar industries.
- The VDOL reports changes in median income over five quarters. This is unusual and introduces risk for the usefulness of the data. For the statewide comparison, the five-quarter period can produce significantly different results than four quarters. The five-quarter term is not adjusted to compensate for the different reporting periods (as VDOL does for employment data).
- VTP reports the data without any caveats, leaving readers with the impression that VTP-funded training is the sole cause of the reported wage increases. The magnitude of the variance argues for

additional analysis. In addition to the issues noted above, another contributing factor may be the fact that some trainees are new hires and the increase might reflect a transition from a lower paying job (motivation for the switch). In addition, it is not uncommon for new hires to be paid an entry level wage for a review period after which they become permanent employees and get raises. All these factors could explain some portion of the wage increases.

For all the reasons stated, the reported wage impacts of VTP are not reliable measures of program performance.

Two final thoughts: While there is no “but for” requirement for the VTP, it is appropriate to ask if all grantees actually need these taxpayer funds. Historically, some very successful businesses received multiple large grants as they grew (e.g., Green Mountain Coffee & Dealer.com). Today we see another billion-dollar firm receiving grants (Beta). We can certainly applaud the success of these firms but question whether these grants are the best use of scarce resources.

Moreover, we hear often that there is a critical shortage of workers in Vermont. But while upskilling, cross-training and leadership training all add value to employers, they don’t expand the labor force as all of those trainees already have jobs. Something to think about.