

Report to
The Vermont Legislature

Correctional Facility Work Programs & Fiscal Operations

In accordance with Act 27 of 2025

Submitted to: House Committees on Appropriations and Corrections and Institutions, and Senate Committees on Appropriations, Institutions, and Judiciary

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I. Introduction and Legislative Context

Pursuant to **Sec. F.175 of Act 27 of 2025**, the Vermont Department of Corrections (DOC) submits the following **Strategic Plan for Facility Work Programs**.

The Legislature found that:

- A **significant budget deficit** developed in the Vermont Offender Work Program (VOWP) and Vermont Correctional Industries (VCI).
- It is the intent of the General Assembly that **all facility work programs be fiscally sustainable** to the extent possible under current statute and **effective in preparing incarcerated individuals for meaningful employment** upon release.

Over the last three years, DOC overhauled its vocational and work-program system, transitioning from a production-based industries model to a **modern vocational-training and workforce-readiness system** in partnership with community-based organizations and aligned with labor-market needs, federal credentialing standards, and pre-release employment pathways.

Critically, a key **infusion of one-time funding eliminated a long-standing fiscal deficit**, allowing the program to fully **transition away from an incarcerated labor program** (e.g., producing highway signs and stationery) to a **skills-based vocational training program connected to community providers**.

II. Background: Causes of the VOWP/VCI Deficit and Corrective Actions

1. Drivers of the Structural Deficit

The VOWP deficit—ultimately requiring a one-time \$3,135,443 appropriation in May 2025—developed due to:

- Declining incarcerated population in work camp/work crew, reducing labor supply and program revenue.
- VCI production-model losses, especially in the furniture shop, where staff salaries were charged to the VOWP fund but sales were insufficient to offset costs.
- COVID-related shop shutdowns (more than three months at NSCF), which disrupted production and eliminated revenue while costs continued.
- State purchasing changes, eliminating core contracts for Vermont-made wood furniture and printing needs as records were digitized.
- Loss of long-term incarcerated mentors, reducing production capacity, particularly in furniture and print.
- Use of VCI staff to support facility custody operations, with salary costs still charged to VOWP.
- Aging equipment, limited market demand, supply chain issues, and inability to compete with private vendors or sell to non-state entities.

2. Corrective Actions (2022–2025)

From late 2022 through 2025, DOC implemented a staged transition:

- Closure of the Furniture Shop (NSCF)— final projects completed, equipment inventoried and auctioned, space repurposed for vocational instruction.
- Closure of the Print and Sign Shops—orders completed, inventories cleared, equipment sold or removed. Facilities fully cleaned and repurposed for classrooms and training labs.
- Elimination of production-driven VCI operations except the state license plate shop at NWSCF.
- Redeployment or retirement of all VCI production staff and hiring/retaining of Workforce Development Coordinators and Vocational Instructors across four facilities.
- Launch of a unified DOC Vocational Unit, integrating VOWP, VCI, and RIS vocational programming.
- Investment in Industry-Recognized Credentialing (IRC): OSHA, NCCER, ServSafe, WorkKeys, welding, SkillBoss (manufacturing), and financial literacy.
- New partnerships with VDOL, HireAbility, VABIR, CCV, and other workforce agencies to support 90-day prerelease employment transition.

3. One-time Legislative Infusion and Current Fund Status

The Legislature appropriated **\$3,135,443** in FY2025 BAA. DOC applied the full amount in May 2025 to:

- Eliminate the negative cash balance in the VOWP fund
- Reset the fund to zero, enabling future spending to align with available revenues and appropriations.

No further deficit exists as of December 2025, and structural reforms described in this plan are designed to prevent recurrence.

III. Strategic Plan Components (Required by Sec. F.175)

1. Business Plan for Efficiency and Fiscal Sustainability

A. Programmatic Model Moving Forward

DOC has transitioned from a variable-revenue, deficit-prone production model to a **training-first vocational services model**, featuring:

- Workforce Development Coordinators in facilities.

- Connections to key community providers (Vermont Works for Women, Community College of Vermont, First Step Staffing [formerly Working Fields]).
- Four vocational instructors delivering standardized curriculum (OSHA, NCCER, WorkKeys, ServSafe, welding, SkillBoss).
- Direct alignment with Vermont Department of Labor (VDOL) and employer demand through regular interest/aptitude surveys, WorkKeys assessment data, and labor-market information.
- A single, sustainable industrial operation (License Plate Shop at Northwest State in Swanton), which remains viable due to stable statewide demand.

B. Financial Strategies Ensuring Sustainability

1. **Eliminate high-loss production operations**
 - a. All major VCI shops except the plate shop are closed permanently.
 - b. No new revenue-dependent production work is planned.
2. **Align all staffing with appropriations**
 - a. No salaries will depend on sales revenues.
 - b. Redeployed staff now operate within RIS/DOC education budgets or grants.
3. **Maximize external funding**

DOC now braids:

 - a. **Federal ARES grant funds** (vocational readiness),
 - b. **Perkins** (equipment, training kits, technology),
 - c. **Byrne JAG** (mobile classrooms, CCV instruction),
 - d. **BJA Reentry Employment grants** (VABIR specialists).
4. **Use WorkKeys and SOC-coded job classifications**

This aligns facility work with federal CTE standards and allows for credit-bearing education models.
5. **Implement routine financial monitoring and reporting**

Required by Sec. F.175(c), DOC now:

 - a. Reviews all VOWP expenditures monthly,
 - b. Prohibits deficit spending, and
 - c. Reports any emerging risks to the Legislature.

C. Sustainability Assessment

Under the new model, DOC anticipates:

- **No recurrence of a structural deficit**, because expenses no longer depend on fluctuating production revenue.
- **Stable cost structures** supported through base appropriations and existing grant funding.
- **Predictable operations** in the sole remaining industrial shop (license plates).

2. Evaluation of Skills and Transferability to Post-Release Employment

DOC has redesigned vocational services around **Industry-Recognized Credentials (IRCs)** and **labor-market alignment**.

A. Skill Areas Now Offered Statewide

- **Construction Trades:** OSHA-10/30, NCCER Core, NCCER trade modules
- **Culinary:** ServSafe Food Handler and Manager
- **Manufacturing:** SkillBoss/CCV Production Technician (pending PEP)
- **Digital and Administrative Skills:** SecureBooks/Thin Clients, Microsoft Office
- **Financial Literacy:** integrated curriculum
- **Welding:** classroom + virtual welding simulation (NSCF and SSCF)
- **Automotive/Small Engine:** new shop at NWSCF

These skills map to Vermont's highest-demand sectors: construction, manufacturing, food service, transportation, and administrative support.

B. Credentialing and Academic Integration

DOC uses:

- **WorkKeys** assessments (widely recognized by employers and the Community College of Vermont).
- **Common Career Technical Core (CCTC) standards** to document performance.
- **SOC-coded job classifications** for facility work assignments (kitchen, warehouse, janitorial, plate shop).

C. Collaboration with VDOL and Community Partners

90-day prerelease employment transition includes:

- HireAbility intake and job-coaching
- VDOL reemployment specialists entering facilities
- VABIR reentry specialists funded through BJA grants
- CCV coordination for dual enrollment and postsecondary access

D. Planned Expansion

- Additional welding capacity
- More SkillBoss units and manufacturing pathways
- Expansion of digital literacy and QuickBooks training (CRCF pilot)

All pathways lead to occupations where incarcerated individuals can obtain employment despite background checks.

3. Analysis of Program Reach and Value

A. Participation and Reach

Under the former VCI model, fewer than 60 individuals statewide worked in industries.

Under the new model:

- Workforce Development Coordinators now cover all four central facilities.
- Facility kitchens, janitorial crews, laundry, maintenance, and administrative support collectively reach hundreds of individuals per year.
- Vocational training cohorts can be scaled based on demand and staffing.

B. Value of Work Experience

DOC's analysis finds that:

- Kitchen, facility operations, warehouse, laundry, and maintenance assignments provide transferable soft skills and documented outcomes under the CCTC framework.
- VCI plate shop provides high-value manufacturing and quality-control experience.
- IRC-based vocational instruction provides skills with direct labor-market relevance.
- Participants in structured work programs show reduced disciplinary incidents, reinforcing positive institutional culture.

C. Program Justification

Programs will be maintained if they:

1. Serve enough of the population to justify staffing and space;
2. Provide transferable skills or credentials;
3. Are operationally feasible within security and classification constraints;
4. Do not generate deficits.

Based on these criteria:

- All former production shops are **not justified** and will remain closed.
- The license plate shop **is justified** due to stable statewide demand and consistent participation.
- Vocational training programs are **strongly justified** and will expand.

IV. Benchmarks for Improvement (2026–2028)

DOC proposes the following measurable benchmarks:

1. Fiscal Benchmarks

- Zero deficits in VOWP fund annually.
- Quarterly financial reporting to legislative committees.
- 100% of vocational equipment purchases funded through grants or appropriations, not VOWP.

2. Workforce and Training Benchmarks

- 80% of incarcerated individuals complete a vocational interest survey annually.
- 50% of eligible individuals complete at least one IRC before release.
- WorkKeys testing available in all facilities by mid-2026.

3. Program Participation Benchmarks

- Year-over-year increase in vocational cohort size.
- Maintain employment opportunities for at least 25% of the sentenced population at any given time.

4. Pre-Release Transition Benchmarks

- VDOL/HireAbility access at all facilities.
- Prerelease employment planning for 100% of individuals within 90 days of release.

V. Conclusion

Through the elimination of deficit-prone industries, creation of a unified vocational-services model, strengthened partnerships with VDOL and workforce agencies, and implementation of rigorous financial oversight, DOC has aligned its facility work programs with legislative intent: to be **fiscally sustainable, vocationally relevant, and effective in preparing individuals for post-release employment**.

The Department is confident that:

- The structural deficit will **not reoccur**,
- Facility work programs will remain aligned with modern labor-market needs, and

- This strategic plan provides a stable foundation for continued improvement.