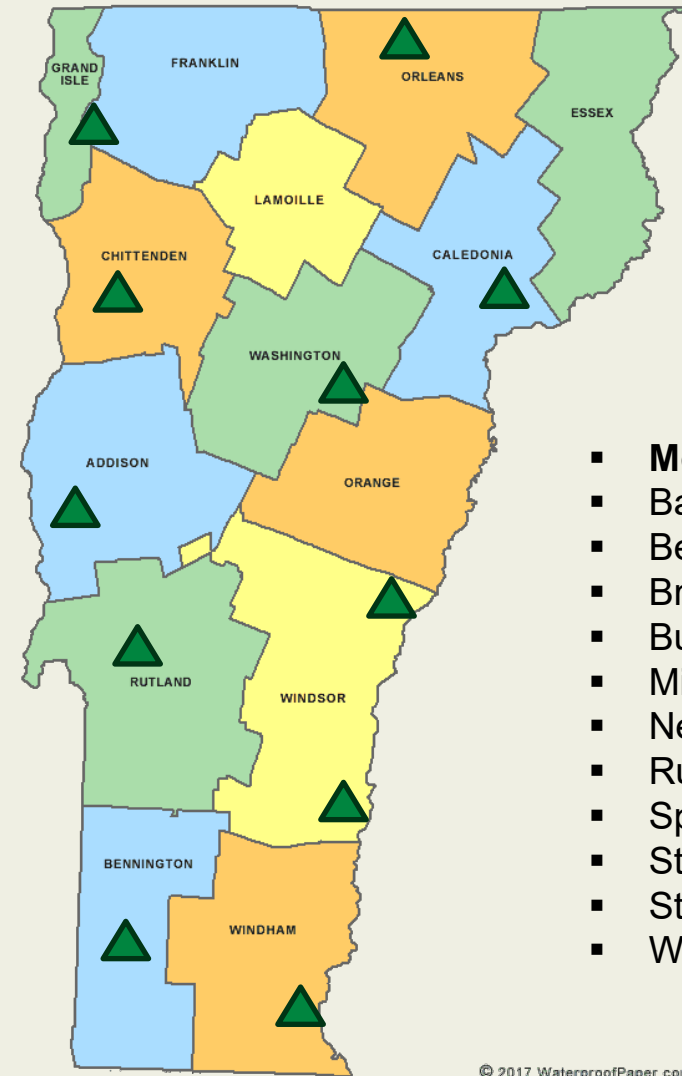


# Vermont Department of Labor

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**FY 2026 Budget Presentation**  
**Senate Committee on Appropriations**  
**February 21, 2025**



- **Montpelier**
- Barre
- Bennington
- Brattleboro
- Burlington\*
- Middlebury
- Newport
- Rutland
- Springfield
- St. Albans
- St. Johnsbury
- White River Jct.

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Governor's Office Liaison  
**Amanda Wheeler**

Office of Workforce  
Strategy and Development  
Executive Director  
**Sabina Haskell**

State Workforce  
Development Board

Commissioner  
**Michael Harrington**

Deputy Commissioner  
**Kendal Smith**

Principal Assistant /  
Legislative Liaison  
**Rowan Hawthorne**

Executive Assistant  
**Roger Van Tassel**

Communications  
**Rachel Dumeny**

Workforce Development  
Director  
**Jay Ramsey**

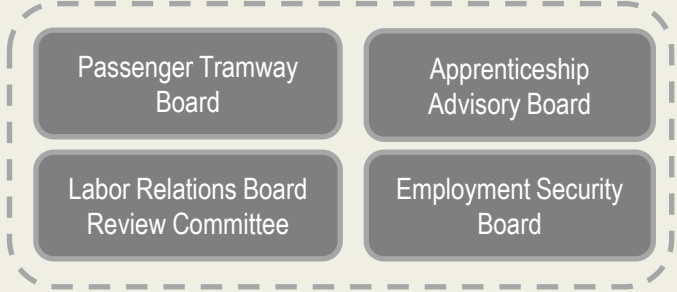
Economic & Labor  
Market Information  
Director  
**Mathew Barewicz**

Unemployment  
Insurance  
UI Associate Director  
**Kristine Murphy**

Workers' Comp & Safety  
Director  
**Dirk Anderson**

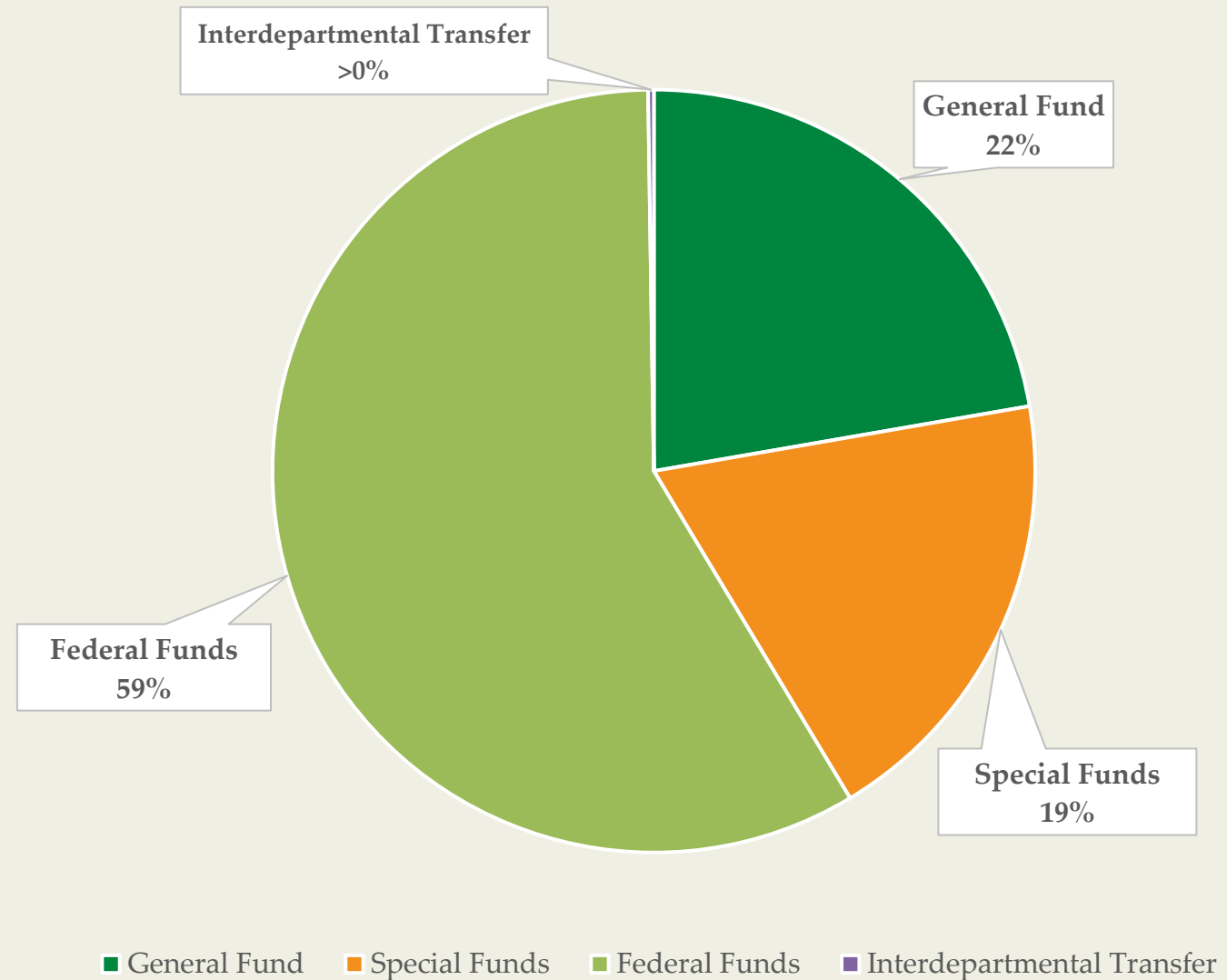
Legal Services &  
General Counsel  
**Robert Depper**

Business Administration  
& CFO  
**Chad Wawrzyniak**



- **Core Programs**
  - Workforce Development
  - Unemployment Insurance
  - Workers Compensation
  - VOSHA
  - Project WorkSafe
  - Economic and Labor Market Information
  - Wage and Hour
  - Business Operations
- **250 Employees**
- **59% Federally Funded** (*Compared to 82% in FY19*)

General Funds	\$11,313,657
Special Funds	\$9,710,674
Federal Funds	\$29,640,603
Interdepartmental Transfers	\$122,841
<b>Total Budget</b>	<b>\$50,787,775</b>



# Department FY26 Overview and Funding

The **Workforce Development Division** administers federal and state workforce development programs to promote workforce expansion and engagement through trainings, education programs, apprenticeships, and support services.

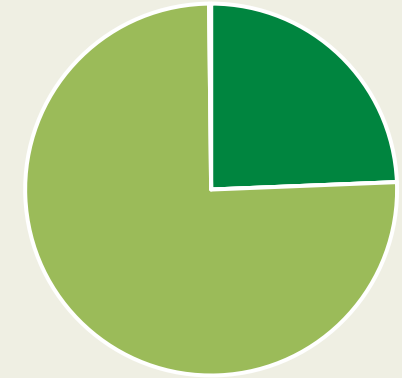
**Staff:** ≈75

**Locations:** 11 Regional Teams

**Programs:**

- Adult
- Youth Employment Services
- Dislocated Worker Grants
- Refugee and Immigrant Services
- Registered Apprenticeships
- State Training Programs and Initiatives
- Veteran's Services and Programs
- Work-Based Learning and On the Job Training

**Funding Sources**



- General Funds
- Special Funds
- Federal Funds
- Interdepartmental Transfer

General Funds	\$3,105,959
Special Funds	\$0.00
Federal Funds	\$9,619,202
Interdepartmental Transfer	\$22,841
Total Division Budget	\$12,748,002



# Workforce Development

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

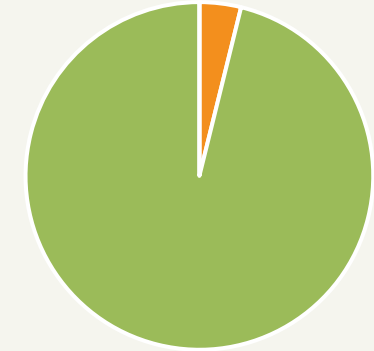
**Staff:** ≈ 12

**Programs:**

- Current Employment Statistics
- Occupational Safety and Health Statistics
- Occupational Employment and Wage Statistics
- Short-term and Long-term Occupational Projections

General Funds	\$0
Special Funds	\$48,080
Federal Funds	\$1,196,265
Interdepartmental Transfer	\$0
<b>Total Division Budget</b>	<b>\$1,244,345</b>

## Funding Sources



- General Funds
- Federal Funds
- Special Funds
- Interdepartmental Transfer



# Labor Market Information

The **Workers' Compensation and Safety Division** ensures that workers are protected while on the job and if a workplace injury occurs, that the worker is covered by workers' compensation insurance. The Division includes the Workers' Comp, VOSHA, Project WorkSAFE, and Passenger Tramway.

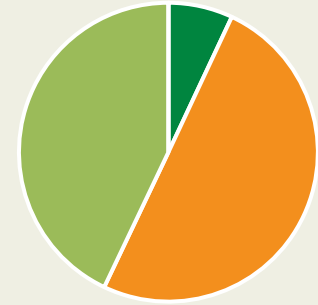
**Staff:** ≈ 40

**Programs**

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

General Funds	\$1,224,728
Special Funds	\$8,792,594
Federal Funds	\$7,535,300
Interdepartmental Transfer	\$0
<b>Total Division Budget</b>	<b>\$17,552,622</b>

**Funding Sources**



- General Funds
- Federal Funds
- Special Funds
- Interdepartmental Transfer



# Workers' Compensation & Safety

The **Unemployment Insurance Division** provides short-term benefits to those who lose their jobs through no fault of their own. The UI Trust Fund is 100% funded by contributions from employers.

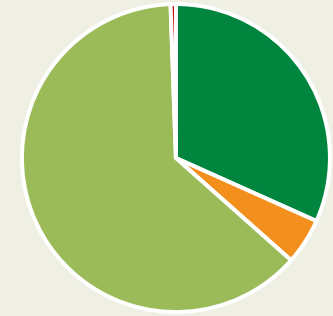
**Staff:** ≈ 80

**Programs**

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

<b>General Funds</b>	<b>\$5,692,252</b>
<b>Special Funds</b>	<b>\$870,000</b>
<b>Federal Funds</b>	<b>\$11,289,836</b>
<b>Interdepartmental Transfer</b>	<b>\$100,000</b>
<b>Total Division Budget</b>	<b>\$17,952,088</b>

**Funding Sources**



■ General Funds      ■ Special Funds  
■ Federal Funds      ■ Interdepartmental Transfer



# Unemployment Insurance

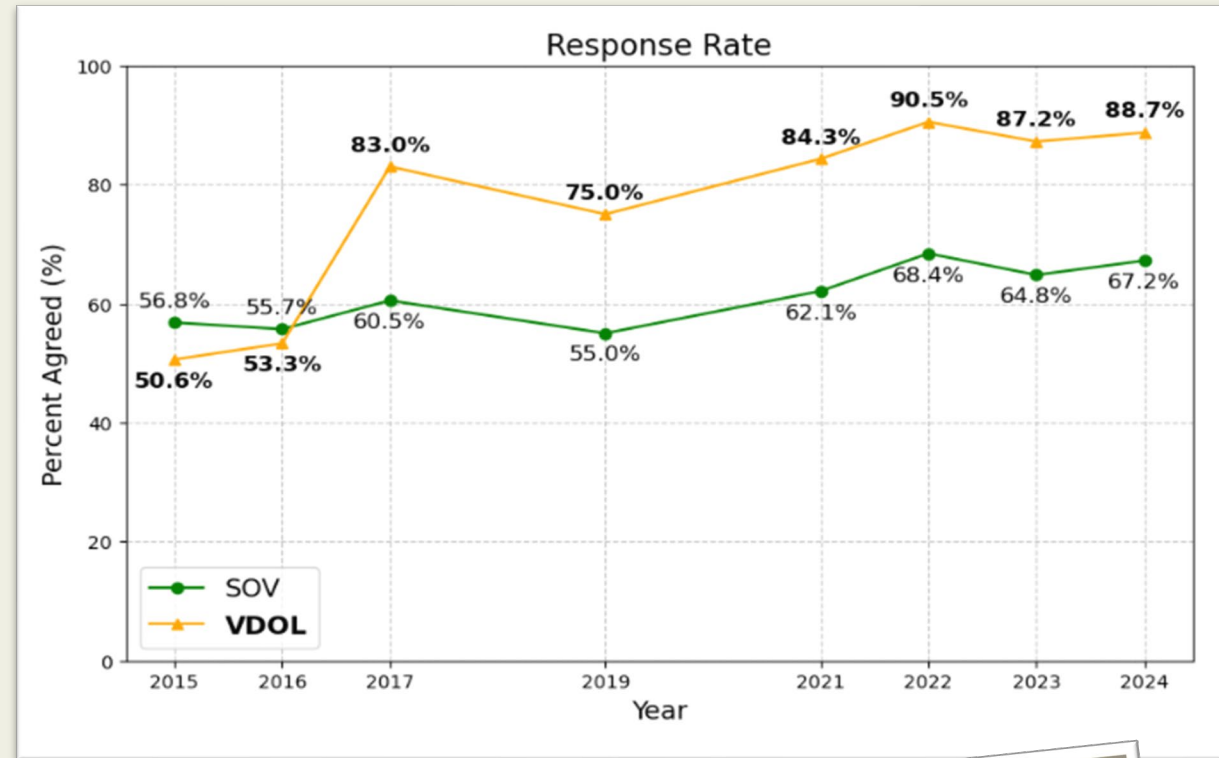


The **Business Office** oversees the internal functioning of the Department. The Business Office is not specifically allocated funding for its work.

**Programs:**

- Facilities
- Finance
- Contracts & Procurement
- Operations, Policies & Procedures
- Performance Management
- EO & Accessibility
- Employee Engagement and Retention
- Continuous Improvement

**Employee Engagement Survey**



# Business Operations

The **Office of Workforce Strategy and Development** (OWSD) oversees the collaboration of workforce efforts across the state (both State and private) and advises the Governor on strategies to strengthen Vermont’s workforce.

The Office includes the State Workforce Development Board with its 27 members. They advise the Governor, Commissioner and Labor, and Executive Director of the Office on the implementation of a workforce education and training system, as required under federal law (WIOA).

In addition, the OWSD works closely with the One-Stop Operator at the American Job Center (AJC) located in Burlington. A One-Stop Operator is responsible for coordinating service delivery at the AJC, ensuring that services from various partner programs (e.g., training, career services, employment support) are streamlined for job seekers and employers. The Operator’s role includes managing daily operations of the AJC, overseeing partner services, and sometimes providing direct services themselves. They play a key role in the implementation of federal workforce programs at the local level under the Workforce Innovation and Opportunity Act (WIOA) and collaborate closely with the Workforce Development Board. The Operator is fully federally funded.

**Staff:** 2

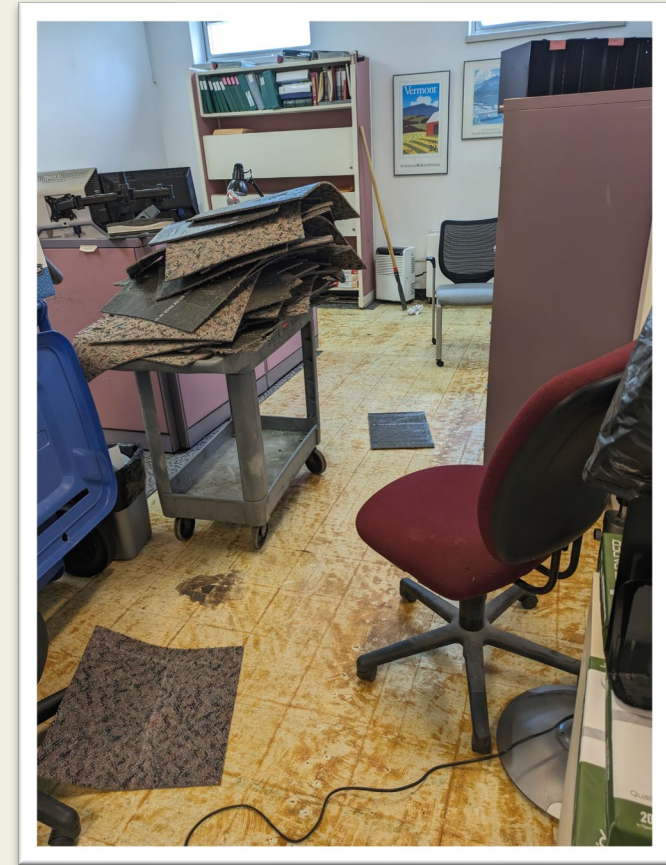
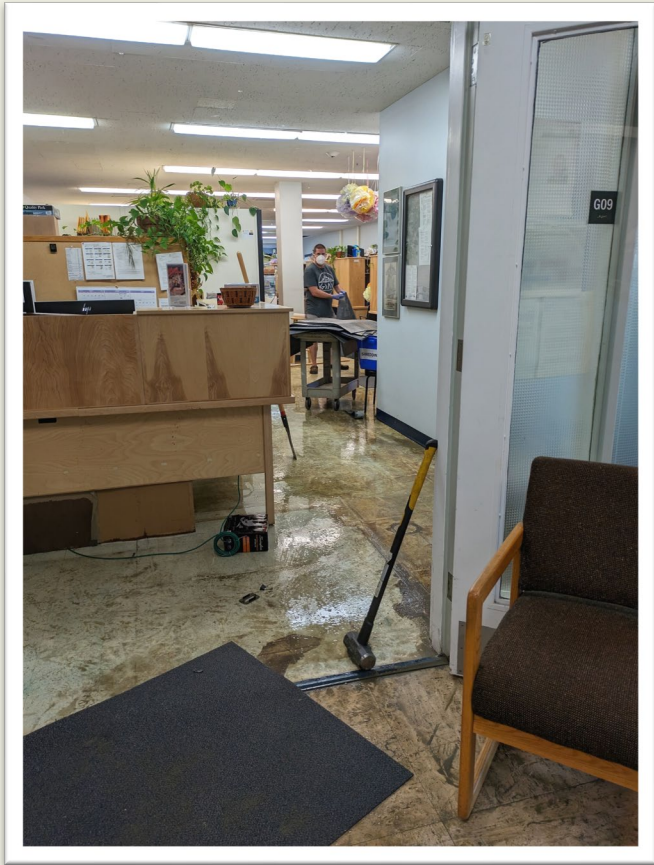
### Funding Sources



- General Funds
- Special Funds
- Federal Funds
- Interdepartmental Transfer

<b>General Funds</b>	\$337,000
<b>Special Funds</b>	\$0
<b>Federal Funds</b>	\$0
<b>Interdepartmental Transfer</b>	\$0
<b>Total Office Budget</b>	\$337,000

# Office of Workforce Strategy and Development



# 2023 Flood Restoration

# VDOL SFY26 Spending Authority Request

As of 12/31/2024

			FY26 Budget	FY26 Budget	FY26 Budget	FY26 Budget	FY26 Budget			
			General Funds	Special Funds	Federal Funds	InterDept Trans	Total	Change	Source of Change	
FY 25 As passed										
1	LMI	Fed/Special	BLS OSHA/Census of Fatal Occupational Injuries (CFOI)	\$94,300		\$48,080	\$48,080	\$96,160	\$1,860	Fed/Special
2	LMI	Fed	Current Employment Statistics (CES)	\$108,010			\$115,212	\$115,212	\$7,202	Federal
3	LMI	Fed	Local Area Unemployment Statistics (LAUS)	\$238,582			\$240,000	\$240,000	\$1,418	Federal
4	LMI	Fed	Labor Market Information - ETA	\$283,068			\$283,941	\$283,941	\$873	Federal
5	LMI	Fed	Occupational Employment and Wages (OEWS)	\$203,945			\$195,558	\$195,558	-\$8,387	Federal
6	LMI	Fed	Quarterly Census of Employment Wages (QCEW)	\$307,116		\$313,474		\$313,474	\$6,358	Federal
7	UI	Fed	Child Support Reemployment	\$45,000				\$45,000	\$0	
8	UI	Fed	Child Support Intercept	\$55,000			\$55,000	\$55,000	\$0	
9	UI	Fed	Domestic Abuse	\$30,000		\$30,000		\$30,000	\$0	
10	UI	Fed	Employee Leasing	\$40,000		\$40,000		\$40,000	\$0	
10	UI	Fed	Equity in UI	\$2,000,000			\$1,500,000	\$1,500,000	-\$500,000	Federal
11	UI	Fed	Reed Act	\$500,000		\$500,000		\$500,000	\$0	
12	UI	Fed	Reemployment Services and Eligibility Assessment: RESEA	\$840,838		\$798,796		\$798,796	-\$42,042	Federal
13	UI	State	Technology: Project Mgmt UI modernization	\$3,090,000	3,182,700			\$3,182,700	\$92,700	Gen Fund
14	UI	State/Fed	Unemployment Insurance Administration	\$11,105,441	2,121,800	\$800,000	\$8,491,040	\$11,412,840	\$307,399	Gen/Federal
15	UI	State	Wage & Hour/Earned Sick Leave	\$376,458	387,752			\$387,752	\$11,294	Gen Fund
16	WC	State/Special	Misclassification/Coverage Compliance	\$339,325	266,428	\$80,657		\$347,085	\$7,760	Gen Fund
17	WC	Fed	RETAIN:Retaining Employment and Talent After Injury/Illness Network	\$10,000,000			\$6,000,000	\$6,000,000	-\$4,000,000	Federal
18	WC	Special	Tramways	\$502,387		\$590,356		\$590,356	\$87,969	Special
19	WC	Special	Technology: Project Mgmt WC modernization	\$3,000,000		\$3,000,000		\$3,000,000	\$0	
20	WC	State/Fed	VT Occupational Safety and Health Administration (VOSHA)	\$1,879,000	958,300		\$958,300	\$1,916,600	\$37,600	Gen/Federal
21	WC	Special	Workers Compensation	\$4,757,630		\$4,900,359		\$4,900,359	\$142,729	Special
22	WC	Fed/Special	WorkSafe	\$749,283		\$221,221	\$577,000	\$798,221	\$48,938	Federal/Special
23	WD	Fed	Alternative Trade Wage	\$245,000			\$150,000	\$150,000	-\$95,000	Federal
24	WD	State	Apprenticeship (State)	\$848,720	874,182			\$874,182	\$25,462	Gen Fund
25	WD	Fed	Apprenticeship - (Federal - formula funding)	\$304,977			\$697,629	\$697,629	\$392,652	Federal
26	WD	State	ICAN (SNAP 3SqVT/DCF) Administration	\$305,676	122,004			\$144,845	-\$160,831	Gen Fund/IntraDept
27	WD	Fed	Foreign Labor Certification	\$176,804			\$176,804	\$176,804	\$0	
28	WD	Fed	JVSG (DVOP/LVER)	\$491,963			\$500,363	\$500,363	\$8,400	
29	WD	Fed	Mine Safety Health Award (MSHA)	\$114,616			\$114,616	\$114,616	\$0	
30	WD	State	State Workforce Development Board	\$299,602	337,000			\$337,000	\$37,398	Gen Fund
31	WD	Fed	Trade Adjustment Assistance (TAA)	\$560,027			\$150,000	\$150,000	-\$410,027	Federal
32	WD	Fed	Trade Readjustment Benefits (TRAA)	\$336,016			\$150,000	\$150,000	-\$186,016	Federal
33	WD	Fed	Wagner-Peyser	\$2,210,914			\$2,195,778	\$2,195,778	-\$15,136	Federal
34	WD	Fed	WIOA - Youth	\$2,317,747			\$2,318,970	\$2,318,970	\$1,223	Federal
35	WD	Fed	WIOA - Adult	\$2,201,794			\$2,202,724	\$2,202,724	\$930	Federal
36	WD	Fed	WIOA - Dislocated Worker	\$922,108			\$896,318	\$896,318	-\$25,790	Federal
37	WD	Fed	Work Opportunity Tax Credit (WOTC)	\$66,000			\$66,000	\$66,000	\$0	
38	WD	State	Workforce Expansion (Includes Former Next Gen)	\$1,417,256	1,459,774			\$1,459,774	\$42,518	Gen Fund
39	WD	State	VT Youth Employment Funds	\$150,000	150,000			\$150,000	\$0	Gen Fund
40	WD	State	Labor Exchange System Maintenance and Operations	\$500,000	500,000			\$500,000	\$0	Gen Fund
41	X-SOV	State	Administrative Services	\$135,000	139,050			\$139,050	\$4,050	Gen Fund
42	X-SOV	State	Technology/Infrastructure/ADS	\$454,065	467,687			\$467,687	\$13,622	Gen Fund
43	X-SOV	State	Admin subsidies/Budget Allowances (ADS, DHR, FFS, VISION, Etc)	\$268,645	346,981			\$346,981	\$78,336	Gen Fund
44			<b>Total All</b>	<b>54,872,314</b>	<b>\$11,313,657</b>	<b>\$9,710,674</b>	<b>\$29,640,603</b>	<b>\$50,787,775</b>	<b>-\$4,084,539</b>	
45			<b>Funding by Percent of Total</b>		<b>22.28%</b>	<b>19.12%</b>	<b>58.36%</b>	<b>0.24%</b>		
			<b>Percent change from FY25 as passed</b>		<b>3.64%</b>	<b>3.23%</b>	<b>-13.49%</b>	<b>-57.23%</b>	<b>-7.44%</b>	
			<b>Dollar change from FY25</b>		<b>\$397,292</b>	<b>\$303,566</b>	<b>-\$4,621,013</b>	<b>-\$164,385</b>	<b>-\$4,084,539</b>	

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.

**FY26 Budget Federal Funds** column indicates funds that are projected to be 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.

**Change column** highlights indicate changes to general fund dollars only.

# FY26 Spending Authority Overview



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## ❖ Federal Considerations

- The greatest challenge is the uncertainty of federal funding.
- The federal government determines funding levels before the notice of award, without input from the Department.
- The Department must manage operations based on the awarded funding level.
- Level federal funding, coupled with inflation and rising business costs have meant a reduction in funds for Department
- Rarely are there opportunities to request increases to base funding from the U.S. Department of Labor or other federal entities.
- The federal fiscal year runs from October 1st to September 30th.

## ❖ Modernization Projects

- The Department is undergoing four modernization projects to improve service delivery to Vermonters.
  - Unemployment Insurance system
  - Workers Compensation Case Management system
  - Vermont Job Link
  - FARS (Financial Accounting)

## ❖ Staffing Constraints

- The vacancy rate is about 15%, leading to resource allocation toward core programs and essential services.
- Hiring efforts are ongoing, but the tight labor market has made it challenging to find qualified candidates.

# Budget Challenges

### **Workers' Compensation**

- This project will modernize the current case management system for the Workers' Compensation & Safety Division.

### **Unemployment Insurance**

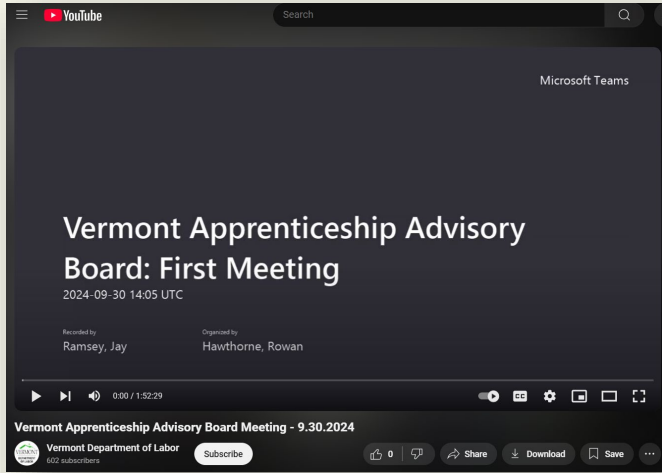
- This project will completely replace the unemployment insurance system for the Department, including Tax, Benefits, and Appeals.

### **Workforce Development**

- This project will replace the State's current job board, case management, and federal reporting system, currently known as Vermont Job Link (VJL).

### **FARS (Financial Accounting)**

- The Department is currently working with the Agency of Administration as part of the overall modernization of the State's financial accounting systems.



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**Vermont Department of Labor**

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Orange County Capital for a Day!

Commissioner Harrington and Labor staff joined various state partners to connect with local businesses across #Orange County.

Key stops for the Labor Department included:

- ★ Vermont State University Randolph Campus
- ★ Applied Research Associates
- ★ LED Dynamics
- ★ New England Precision
- ★ Randolph Technical Center
- ★ River Bend Career and Technical Center

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# Thank You!