

**V E R M O N T**

**Workforce Development Council**

Annual Report

2010

## Vermont Workforce Development Council

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#### **Introduction:**

The Workforce Development Council (WDC) was established in State law in 2006 as the successor to the Human Resources Investment Council, originally established in 1993. The mission of the Council is to ensure that Vermonters have the skills they need to get and keep good jobs, and that Vermont employers have the skilled workers they need to compete in a rapidly changing world economy. The Council advises the Governor on the development and implementation of a comprehensive, coordinated, and responsive workforce education and training system. The Council is also designated as the State and Local Workforce Investment Board under the Federal Workforce Investment Act.

The WDC is a business majority council, appointed by the Governor, with members representing all sectors of the economy and all geographic regions of the State. In addition, Council membership includes top officials from State agencies and higher education institutions, representatives of labor and the low income community, and members of the Senate and House. The Chair is appointed by the Governor from the business membership.

#### **Workforce Initiatives:**

2010 saw implementation of a number of workforce programs that responded to the lagging economy and challenging employment environment. Across the workforce education and training system, providers worked to respond to the needs of employers with new programs and adjustments to existing programs to help Vermonters get jobs and help employers train workers with new skills in order to avoid lay-offs.

Mainstays of the State's workforce development efforts such as the Workforce Education and Training Fund (WETF), the Vermont Training Program (VTP), the VSAC Non-Degree Program, the Workforce Investment Act, and the Department of Education's Learning Works High School Completion Program continued to provide essential education and training services. In spite of the poor economy, employers continue to apply for assistance from the WETF and VTP, and in most cases commit to matching these grants with private funding. Fewer new jobs are being created and consequently these training programs are also investing in up-skilling and cross-training for incumbent workers in order to raise wages to prevent lay-offs. The Departments of Labor and Voc Rehab served greater numbers of individuals in 2010 through on-the-job training and supporting participation in classroom-based training. Programs created more recently such as the WETF Internship Program, the Workplace Readiness Credential (CRC) classes conducted by Community College of Vermont, and the Dual Enrollment Program continue to expand, serving greater numbers of students each year. Each of the agencies and institutions that deliver these programs will provide detailed reports on their activities.

In addition to state agencies and institutions of higher education, workforce education and training is delivered through local partnerships including local Workforce Investment Boards, employers, chambers of commerce, regional development corporations, trade associations, and many other local non-profit organizations. Over 150 applications were received by the Departments of Labor and Economic Development for local training projects designed to meet immediate employer training needs. Funding for two Next Generation programs, Alternative and Intensive Technical Education and Career Awareness was eliminated in the 2009 Legislative session. The need for a comprehensive Career Awareness program remains strong and should be addressed in the future.

### **New Strategic Approaches to Workforce Development:**

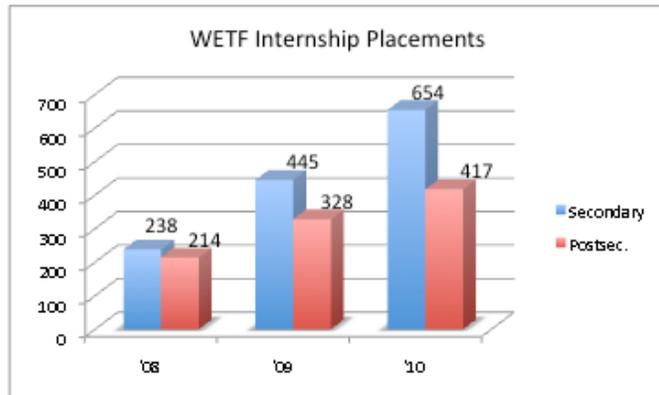
In 2008, new state legislation established a new responsibility for the WDC Executive Committee, preparation of the Workforce Leadership Report. This Committee includes the Commissioners of Education and Economic Development as well as the Secretary of Human Services, the Chancellor of the State Colleges, the Chair of the WDC and several representatives of business. The committee was charged with "developing a limited number of over-arching goals and measurable criteria for the workforce development system", and "reviewing reports from each entity that receives funding" to determine the contribution made to accomplishment of the goals. The third annual report will be completed in March of 2011. It identifies four broad goals, each supported by strategies and performance measures. The report will be submitted to the Legislature and will be available on the Workforce Development Council website.

This year, the Council continues to work on several new initiatives in partnership with the Department of Education. First, recognizing the need to create more effective pathways from secondary career and technical education programs to further education and to better meet needs of employers, the WDC and DOE have formed a partnership with the State Chamber of Commerce that focuses on careers and workforce development in the Hospitality sector. The project launched a Hospitality Career link on the State Chamber of Commerce Website in November of 2010, and will publish a comprehensive report on the Hospitality sector describes the importance of the sector to the State's economy and the career opportunities it offers. A second industry sector study was initiated in 2009 focusing on the green construction sector. A report on the potential opportunities in this sector was published in April of 2010. These reports are available on the WDC website. In addition, we are seeing success with a number of innovative programs that have been developed in recent years, Three of these programs that have shown a high degree of effectiveness and steady growth trends are identified below.

### State Internship Program:

In 2008 the legislature passed, and Governor Douglas signed in to law, an internship program as part of the Workforce Education and Training Fund operated by the Department of Labor. This program makes grants to colleges, trade associations,

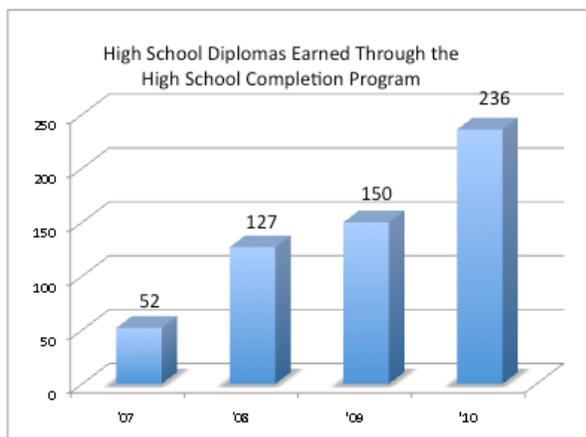
nonprofits and businesses for the operation of internship programs. The goal is to provide meaningful work experiences for promising students that will strengthen their skills, make them better informed about job opportunities in the State, and help them establish professional networks. In 2010 the secondary program expanded to include 24



high schools and over 600 students and the postsecondary program served over 400 students, for a total of 2,300 students since the program began in late 2008. This growth has occurred in spite of an overall decline in state funding for the project. This success can be attributed to the providers and employers becoming more familiar with the program and administrative efficiencies that have been achieved over time. Future plans call for expanding the program to reach all regions of the state by further integrating its operation into the public education entitlement and the curriculum of participating colleges.

### Act 176 High School Completion Program:

The High School Completion Program (HSCP) has received national attention for its innovative approach. HSCP was developed by the Learning Works statewide adult education system (formerly Adult



Basic Education) and the Department of Education, and supported by the Council throughout the legislative process. It was signed into law by Governor Douglas in 2006. It is estimated that between 1,000 And 1,200 students leave Vermont's public schools each year without a diploma. This is an important workforce development issue because Vermont has a shortage of young workers, and those lacking basic skills are unable to meet entry level job

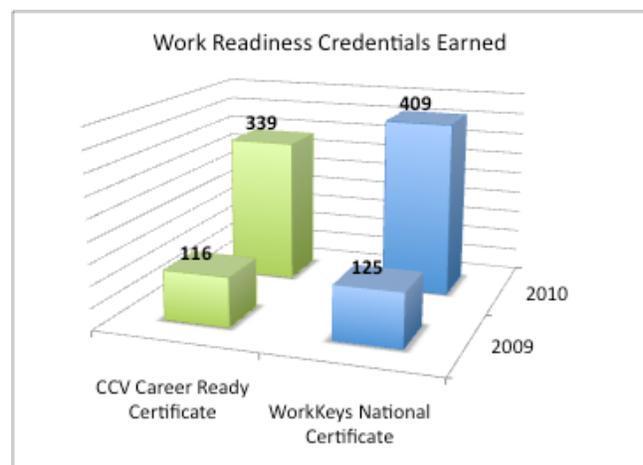
requirements. 1,358 students have enrolled and developed graduation plans and 525 students have earned their diplomas through June of 2010. Another 97 achieved some other positive outcome including earning a diploma through the Adult Diploma Program, earning a GED Certificate, or returning to school. FY10 was also the first year that the program was able to serve students still enrolled in high school, graduating 41 of these students. Enrollment of in-school students is growing rapidly, accounting for 30%

of new participants in 2010. The most unique aspect of the program is that students participate in the development of an individual learning plan that is customized to respond to their needs, interests, and learning styles. This plan can include a wide variety of alternative learning opportunities including basic skills instruction and tutoring, independent study, classes at their high school or regional technical center, adult education and college courses, or participation in an internship. Once the goals in their plan are successfully completed, students may participate in graduation ceremonies at their home high school and receive a diploma.

### **CCV Career Readiness Certificate:**

The Community College of Vermont, in partnership with the Vermont Department of Labor, and the Agency of Commerce and Community Development has implemented a program to help Vermonters improve their work readiness skills. The program, which is offered statewide at no cost to participants, was developed in response to needs that were identified in a series of employer focus groups. Because the Career Readiness Credential Program focuses on the skills needed for any workplace, CRC grads are ready to take on jobs in a variety of sectors. Career Readiness students have found in work in higher education, medicine, manufacturing, electronics, construction, and public administration.

The program consists of six modules that help unemployed and underemployed workers develop and enhance their skills. Each module is a short course of study in a particular subject. Those who successfully complete all six modules earn a CCV Career Readiness Certificate. In addition, students can sit for the ACT National WorkKeys Skills assessment and those who score



a level 3 or higher on also receive a National Career Readiness Certificate. As CRC students spread out into workplaces across the state, employers are beginning to understand the benefits of these certificates. An increasing number of employers are asking for CRC and Work Keys graduates to fill their positions including; Cabot Cheese, Energizer, Green Mt. Coffee, Rutland Regional Hospital, Vermont Country Store, and Central Vermont Medical Center.

### **Regional Workforce Investment Boards:**

As a result of legislation passed in 2010, five of the Regional Technical Centers accepted responsibility for regional workforce development activities, accountability expectations were increased and funding was put on a competitive basis. These twelve regional volunteer boards are the local component of the system, working closely with employers, schools, colleges and community

organizations to identify needs and implement training solutions. Under legislation passed in 2010, the WIBs are to focus their efforts in two areas; working with employers to assess existing worker skill gaps and training opportunities, and improving the effectiveness and efficiency of local education and training delivery. To carry out these tasks the WIBs form partnerships with employers, Regional Development Corporations, local chambers of commerce, tech centers, colleges, state agencies, and local non-profit organizations.

WIB activities in 2010 included; assisting individual employers, and organizing local groups of employers, to apply for training grants from the Workforce Education and Training Program (WETF) or the Vermont Training Program (VTP), organizing Career Fairs for youth and adults, and implementing the WETF Internship Program.

In 2010, the WDC stepped up targeted assistance to selected Local Workforce Boards. On-site technical assistance was provided to four WIB regions in two key areas. On the demand side of the labor market, WIBs were trained to implement systematic outreach to employers using surveys and focus groups in sectors that were experiencing workforce skill challenges to develop specific action plans. On the supply side of the labor market, these WIBs were provided with assistance in conducting agency cross-walks that inventoried local resources and identified gaps in education and training services, resulting in the identification of priority areas for program coordination.

### **Challenges for 2011:**

We are preparing for a possible re-write of the federal Workforce Investment Act in 2011. Past experience indicates that we will need to work closely with our Washington delegation to make sure that this legislation will not overlook the unique needs of rural States like Vermont. The re-write is an opportunity to substantially improve the WIA which was originally passed in the late 1990s when workforce development needs were very different from today.

Closer to home, significant progress in preparing the State's workforce has been made over the past year, however the underlying trends remain a concern:

- The available workforce in Vermont has shown little growth in recent years and will begin to shrink in 2012, continuing to decline in size over the next decade.
- Vermont's workforce is older than the average in most other states, and as the baby boomers retire, a large number of skilled workers will leave the workforce.
- Census data continues to show a decline the 20-34 year old population.
- There will be an 18% decline in Vermont's high school population over the next ten years.

In addition, much higher skills are required to get and keep a good job than in the past, and even with the current high rates of unemployment, employers report skilled workers are often difficult to find;

- Good jobs that were once available to workers with limited academic skills now require strong skills in reading, communication, math, and the use of computers.
- More than 1,000 Vermont students leave high school each year, and those without a high school diploma earn only 65% of the US average wage, while those with a bachelors degree (or other industry specific credentials) earn 131%.
- Employers invest more in skilled workers. Half of college graduates receive training on the job, but fewer than 20% of school dropouts receive such training.
- Of the top ten fastest growing jobs in Vermont, seven require two year college degrees or more for entry, and two others require specific post-high school training.
- Specialized information technology, software, and computer skills are required in 95% of jobs in banking/insurance, graphics/printing, and healthcare.

To address these challenges, we will focus on education and training strategies to increase worker productivity, provide the training necessary to help underemployed Vermonters move up into better jobs, and meet the needs of employers for skilled workers.

**Plans for 2011:**

- Work closely with the our Washington delegation to make sure the re-authorization of the WIA provides the right policies and adequate resources for Vermont.
- Evaluate the implementation of the Act 46 programs to increase accountability, make recommendations for future funding priorities, and continue efforts to streamline administrative processes.
- Continue to expand the WETF Internship program toward the goal of providing statewide access.
- Continue to invest in the CCV Career Readiness Credential program and make the Work Keys assessment available at DOL offices and through other local providers.
- Expand partnerships with leading business and trade associations to build consensus on strategies to address worker skill shortages in the "Green" sector and other key economic sectors across the State.
- Continue to respond to the workforce needs of the Healthcare sector with new and innovative training solutions.
- Continue implementation Industry and Education Center of Excellence in Hospitality as a pilot for the concept of forming close partnerships with employers to create comprehensive career pathways that improve student success and that provide employers with fully prepared workers.

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