



Issue Brief: Vermont Training Program

The Issue

Workforce training is an essential tool for economic development in Vermont. Since its inception, the Vermont Training Program has sought to promote the expansion creation and retention of jobs in Vermont by providing funding to offset the cost of workforce training for new and existing business. The Vermont Training Program is designed to increase the skills, wages, and standard of living for Vermonters, while acting to retain and grow Vermont businesses. The Vermont Training Program nets \$7 million to Vermont in tax revenues each year, and in FY 2008' helped create 1,312 full and part-time jobs. For every \$1.00 invested into the Vermont Training Program, Vermont's economy generates an additional \$2.67 in revenues.

The Program

The Vermont Training Program works with businesses and educational institutions to develop programs targeting the manufacturing, health care, information technology, telecommunications, and environmental engineering sectors. When developing a proposal with a specific business, the Vermont Training Program seeks to address training needs for the next six months to a year, and proposals cover new hires, upgrade or cross training, as well as classroom training. The Vermont Training Program can cover up to 50% of the cost of training.

The Problem

The Vermont Training Program budget was reduced by \$1 million less funding for its FY 2010 causing a negative impact on job creation and economic growth in Vermont. It is estimated that with the loss of funding the program will be not be able to serve 35-40 Vermont businesses, resulting in as many as 2,000 Vermonters that won't receive workforce training.

Furthermore, the Vermont Training Program wage eligibility threshold for enrollment into the program if an employer does not offer benefits is set at twice minimum wage (\$16.12). If an employer does offer benefits, a credit of 30% is applied to the eligibility threshold for new hires, and 20% credit for existing employees bringing the wage threshold to \$12.89. However, due to the current high unemployment and the fact that Vermont employers that offer benefits generally offer them at proportions greater than 35%, the enrolment thresholds will further limit the enrolment of Vermont businesses into the program.

Solutions

The Vermont Chamber of Commerce supports funding the Vermont Training Program at its FY 2008 and FY 2009 level of \$2.8 million. Furthermore, to better reflect the current marketplace in Vermont, the Vermont Chamber of Commerce also supports modifying the programs eligibility requirements for enrollment of employers offering benefits to their employees. Adjusting the eligibility threshold to twice minimum wage less 35% for new hires, and twice minimum wage less 25% for existing employees, will enable more businesses to qualify for this program.

PO Box 37, Montpelier, VT 05601-0037

Tel: 802-223-3443 ~ Fax: 802-223-4257 ~ e-mail: info@vtchamber.com ~ www.vtchamber.com