

STATE OF VERMONT



**ANNUAL REPORT
WORKFORCE INVESTMENT ACT
TITLE 1-B
JULY 1, 2007—JUNE 30, 2008**



SUBMITTED BY:

**PATRICIA MOULTON POWDEN
COMMISSIONER
VERMONT DEPARTMENT OF LABOR
P.O. Box 488, Montpelier, VT 05601-0488
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September 30, 2008

October 6, 2008

U. S. Department of Labor
Employment & Training Administration
Attn: John R. Beverly, III
Administrator, Office of Performance & Technology
200 Constitution Avenue, NW
Room S-5206
Washington, D. C. 20210

Dear Mr. Beverly,

Enclosed you will find Vermont's Program Year 2007 Annual Report, as required by the Workforce Investment Act, Title 1-B.

The report demonstrates the importance of workforce development to Vermont. It also shows that federal programs continue to make a significant contribution to Vermont's ability to meet the needs of Vermont business and labor force.

Workforce Investment Act and Wagner-Peyser Act resources have traditionally allowed this department to provide access to services throughout the state. As those resources have declined in both real and current dollars, it has become more difficult. In spite of that challenge, Vermont's outcomes for WIA and Wagner-Peyser last year were positive.

I would like to thank ETA, especially the Boston Region, for their support this past year.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Moulton Powden". The signature is written in a cursive, flowing style.

Patricia Moulton Powden
Commissioner

cc: Senators Leahy and Sanders
Congressman Welch

I. 2006 Workforce System Accomplishments

Health Care Workforce Development Partnership- The shortage of health care workers continues to be a critical challenge for a wide range of health care providers. This Workforce Development Council Committee has continued to quantify these shortages while identifying training needs/venues and resources and creating ways to feed the pipeline. Efforts related to attracting new workers into health care professional areas included presentations in schools on various health care opportunities and the provision of transition counseling to the mature health care worker. The Governor declared October '07 as Health Care Career Awareness Month and this was followed by monthly presentations in high schools and middle schools. The committee also served as a way of sharing promising practices for recruitment, retention and re-training strategies.

Innovative Training Programs – Two federal grants continued: one for \$1.5 million entitled the Governor's IT Training Initiative. This 3-year grant is providing training in over 21 college-based IT certificate programs resulting in 9 to 24 hours of college credit and training in IT apprenticeship readiness programs for an area employer. Internships are also being provided for high school and college students interested in information technology. A second grant for \$446,000 is focused on developing a web-based portal that will be used to facilitate career decision making by middle and high school aged youth. It can also be used by adults either entering the labor market for the first time or for making career changes. The Vermont Student Assistance Corporation, the Department of Education and the School Guidance Counselors' Association are key partners in this project. Extensive training of school personnel on how to maximize the use of this portal with their students while integrating it into curriculum occurred in late 2007 and early 2008. Both grants recently received one year no-cost extensions.

Youth Vision – The U.S. Department of Labor in partnership with multiple federal agencies including Education, Justice and Health & Human Services has encouraged states to develop a multi-agency youth vision strategy especially for youth in transition. Of special focus are youth facing serious barriers including out-of-school youth, homeless and runaway youth, high school dropouts, youth with disabilities, native American youth, migrant youth, court involved youth or those at-risk of involvement, children of incarcerated parents and youth in foster care or those aging out of foster care. Vermont's Department of Labor is working with its sister departments and agencies as part of the Youth In Transition Team (YIT) to develop a statewide youth vision. Essentially, the youth vision will involve strategies to collaborate and articulate services provided to youth.

Summer Employment Opportunities – The Vermont Department of Labor issued a competitive request for proposal (RFP) for programs that would provide paid employment experiences for WIA-eligible youth during the summer of '07. Approximately \$135,000 was granted out to five (5) organizations. Both in and out-of-school youth were served. All youth were connected with year-round services and once their summer work experience ended they were transferred to VDOL youth specialists

for continued case management. Additional youth were served during this period by VDOL'S One-Stop Resource Centers. Another RFP for summer of '08 was issued in the winter of '08 and seven (7) grants were awarded for a total of \$125,000.

Northlands Job Corps Task Force -- The overall goal of the task force, which includes members from the Department of Education, Department of Children and Families, Vocational Rehabilitation, the Department of Labor, the Department of Corrections, and the Agency of Human Services is to increase successful referrals of Vermont youth, especially those who are involved with the State of Vermont, to Northlands Job Corps, resulting in 70% of their total program slots or approximately 180 Vermonters participating at any given time in the Job Corps program. This task force will work closely with Northlands Job Corps staff to accomplish this goal.

An operations committee was formed in order to ensure that students are being referred to the program and are assisted during the application process. Additionally, the committee will address needs of students currently enrolled and will work collaboratively to plan for successful transition out of the program. The group hosted an Information Day of team building and orientation activities for students entering the program. The operations committee will track students through the admission process, those currently enrolled in the program, and those identified as being ready for transition, while paying particular attention to connecting youth with Foster Care services, homeless services and Vocational Rehabilitation services.

We know there has been a recent change in management at Northlands Job Corps. We will be in touch with the new management to ascertain their interest in continuing this collaboration.

Workforce Development Initiatives:

Workforce Development Academy – In a continuation of the initiative begun last year, VDOL was able to send one additional member of the business outreach team to the third session of the Workforce Development Academy held in July at the Williston campus of Vermont Technical College. Like the first two sessions, the Academy included a statewide representation from public, private and nonprofit entities that share a common interest and influence in issues of workforce and economic development. Students included legislators, WIBs, private employers, educators, training providers and public employees. The curriculum was developed and delivered by the University of Virginia, customized to include topics of particular interest to Vermont, and expanded to include guest instructors and presenters. As in the first two sessions, there was a major focus on the new opportunities made possible with the passage of major workforce development legislation known as the Next Generation Initiative.

The co-sponsor of the Workforce Development Academy, Vermont Technical College will take the lead in establishing a formal mechanism for continuing the relationships and dialogue that developed during the three sessions of the Academy.

Business Outreach Initiative: The department continued the staff training we initiated last year, to develop a "business outreach team" that works closely with VDOL's business customers. Additional training sessions were held with sixteen front line staff from our district offices. Two sessions were devoted to informational presentations on VDOL services that directly impact employers. Three other sessions were devoted to training business outreach staff in a new and vital role. Effective July 1, 2007, this team

assumed the role of promoting the training resources of the “new” Workforce Education & Training Fund (WETF), at the local level. In the past, primary responsibility for working with applicants in developing a training request had rested with VDOL administrative staff in Montpelier. We felt that the expanded WETF resources presented a perfect opportunity for our local business team to demonstrate their value as a partner in workforce development. They took the lead role in promoting the WETF as a training resource, and worked closely with businesses and training providers in actually developing WETF applications. The process enabled local VDOL staff to establish positive relationships with old and new business customers. Some of those successful projects are described in more detail under the Workforce Education & Training Fund.

Workforce Education and Training Fund – The Workforce Education and Training Fund (WETF) supports occupational training to enhance the quality of the Vermont workforce, and increase the number of highly skilled workers. The WETF is funded exclusively with an annual appropriation from the state general fund, and awards grants to employers and training providers in partnership with employers. VDOL establishes criteria for eligibility and awards grants on a continuous basis. During the program year ending June 30, 2008, thirty nine (39) proposals were funded for a total of \$1,447,166. Training was funded in several sectors including Manufacturing, Health Care, Construction, Hospitality/Tourism, Services and Financial. Multiple employers and more than 1400 workers benefited directly from WETF training that was funded during this program year. In some projects in Manufacturing, WETF partnered with another state funded training resource, Vermont Training Program, to maximize efficient use of state resources.

WETF and the Next Generation Training Initiatives for 2008 – The 2007 state legislature enacted legislation that dramatically increased workforce development resources for FY 2008. This was part of a comprehensive strategy to expand the number of high quality jobs, and prepare young Vermonters and other workers to pursue successful careers in Vermont. Like many states, we are experiencing a decline in workers entering the labor market, and it’s crucial that we retain our high school and college graduates, and retrain incumbent workers for greater job security and upgrades. Funding for traditional WETF training grants was increased from a long-standing \$365,000 to approximately \$2,500,000, and additional funds were appropriated to VDOL for new programs under the broad heading of Workforce Education and Training Fund. A total of approximately \$4,365,000 was appropriated for the WET Fund and the following new programs: Internships for secondary and post-secondary students, to provide meaningful workplace experience with Vermont employers, establishing a bridge from school to a career; Career Exploration programs for students entering grades 7 through 12, to enable students to make informed career choices and take the necessary steps in school to prepare for employment; Alternative and Intensive Vocational/Academic programs for secondary students at risk of leaving school with little preparation to be successful in the workplace; Adult Technical Education programs to provide occupational/technical training, at the regional level, to unemployed and underemployed adults.

Approximately 666 high school and college students were planned to be served through Internships with employers. Another 9300 students in grades 7-12 were planned to participate in Career Exploration activities. Ninety (90) youth were to be engaged in Alternative and Intensive Education. Funds for Adult Technical

Education supported evening and late daytime classes for adults in Vermont's 16 Technical Education Centers and Comprehensive High Schools.

National Science Foundation Grant – This year was the final year for this project. The program is up and running at Vermont Technical College with full enrollment. This project was developed by a partnership comprised of the Workforce development Council, Vermont State Colleges, and Department of Education as a result of the Council's IT Skills Taskforce that published its recommendations in 2004. NSF Grant funds supported the costs of professional development, a new course structure that will support more flexible IT degree requirements, and stronger connections between secondary and postsecondary IT programs.

VSC Technology Extension Division - TED at Vermont Technical College continues to expand its services. TED provided credit, non-credit and on-line programs to more than 65 employers, and more than 5,000 workers throughout Vermont. Topic areas included: supervision, applied mechanics; leadership and managerial skills; customer service; team building; blue print interpretation; telecommunications; general electronics; semiconductor processing, medical coding and transcription, pharmacy tech, paralegal, records management, six sigma, home inspection, AutoCAD, and a new program which will open this winter in precision machining and production.

Vermont Apprenticeship Program -- The Vermont Department of Labor administers all registered apprenticeship programs in the state. VDOL is responsible for registering, monitoring and completing apprentices; tracking all performance data such as grades, wages, and hours; arranging classroom instruction; ensuring compliance with Affirmative Action requirements; and developing new apprenticeship programs. This year, VDOL served more than 300 employer sponsors. In total, there were over 900 registered apprentices in more than 30 occupations. New programs were developed in response to employer needs and always with strong employer involvement in training content. In FY 2008, new programs were approved for the following occupations: Woodworker, Utility Worker and Medical Coder. Another occupation, Teledata Technician, was developed in FY 2008 and will be presented to the State Apprenticeship Council for approval in the new fiscal year. This year, 236 individuals completed apprenticeship, received certificates, and are employed full-time. Certificates were issued to completing apprentices in 18 different occupations.

III. Career Planning Gateway

In June of 2006, the Vermont Department of Labor received funding from the US Department of Labor to establish a statewide collaborative web-based career development resource. In May of 2007, the Vermont Career Gateway was launched in beta version at the annual school counselors' conference. www.vtcareergateway.org was designed by a local consulting firm working with the Vermont Career Gateway advisory group. The resulting product is a collection of carefully selected web-based career development resources, organized by user groups: students, parents, professionals, and adults. Direction for the project came from the Vermont Career Planning Taskforce, an interagency council comprised of the Vermont Department of Labor, the Vermont Student Assistance Corporation, the Vermont School Counselor's Association, and the Vermont Department of Labor. Initial reaction from the educational

community was extremely positive. Over 950 education professionals have been trained in the site's use. Consultation has been provided to 28 schools. Recently, VDOL received a one-year no-cost extension for this grant. During the additional year, adjustments will be made to the site, more individuals will be trained on its use, and a greater alignment will be made with Vermont's Framework of Standards.

V. Cost Benefit and Evaluations

A. Cost Benefit Analysis

Vermont is a single workforce investment area state and all 85% monies are allocated to the local area. Each Resource Center is given an annual allocation, which is used in accordance with customers' identified needs rather than through a pre-selected mix of activities.

In Program Year 2007, the number of total individuals served remained virtually the same as Program Year 2006. The number of adults served decreased substantially which contributed to a significant increase in the cost per participant. The cost per youth served increased as well while the average cost per dislocated worker decreased.

	PY 2006		PY 2007	
	Number Served	Average Cost	Number Served	Average Cost
Adult	329	\$4,120	256	\$7,075
Youth	509	\$2,799	587	\$4,045
Dislocated Worker	201	\$4,616	203	\$4,171
Total	1039	\$3,569	1046	\$4,811

The percentage of adult exiters who entered employment increased to 80.5% from 77.3% in PY2006. The dislocated worker entered employment rate showed a significant increase from 85.2% to 92.6%. Adult employment retention was measured at 84.3% while dislocated worker employment retention reached 99.1%.

B. Evaluation of workforce investment activities

For the past five years annual evaluations of Vermont's title 1B WIA program have been conducted by the Center for Social Science Research at Saint Michael's College in Colchester, Vermont. The latest study examines the labor market experience of both the 2,413 participants who exited from WIA between 2001 and 2006 and a subset of 425 participants who left the program between July 1, 2005 and June 30, 2006.

The following extracts from the study, which offer both encouragement and concern for the program's results, provide a sense of the overall impact of WIA in Vermont.

- On one level, the findings from the most recent study are encouraging. The percentage of participants who felt that they could not have gotten their first jobs after WIA was higher (58% compared with 54% in the previous study and a low of 37% three years ago); the percent of those jobs that were training related rose from 69% in PY 2005 to 81% in PY 2006), and nominal wages and hours worked per week also increased. Employment rates, however, have not changed much since the first WIA study in 2001.
- While there have been noticeable improvements in certain outcomes over the five years of follow-up studies, the level of earnings remains a concern. For adults other than dislocated workers, the level of quarterly income reported would be either less than or just above poverty levels for a three-person household. Participants in Vermont’s WIA program appreciate the assistance; the “helping hand” that the program provides. With the exception of dislocated workers, WIA participants, on average, experienced improvements in their labor market status. While most participants do get jobs after the program, a majority of which pay health insurance, the question remains whether these jobs will provide genuine opportunities for upward mobility so that as a group, the incomes of former participants will eventually rise well above poverty levels. Will participants, many of whom find themselves on the lower rungs of a job ladder, someday achieve middle class incomes? The data that is derived from nine quarters of post program quarterly earnings may not be long enough to provide a clear answer to this question, but during this time period average earnings do not rise noticeably.

Tables PY2007

TABLE A - Workforce Investment Act Customer Satisfaction Results

Customer Satisfaction	Negotiated Performance Level	Actual Performance Level-ACSI	Number of Completed Surveys	Number of Customers Eligible for The Survey	Number of Customers Included in The Sample	Response Rate
Participants	79	79.8	211	492	347	60.8%
Employers	79	79.4	587	2126	758	77.4%

TABLE B - Adult Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	Numerator/ Denominator
Entered Employment Rate	81%	80.5%	N=124 D=154

Employment Retention Rate	80%	84.3%	N=140 D=166
Average Earnings in Six Months	\$11400	\$12647	N=\$1770525 D=140
Employment & Credential Rate	65%	59.6%	N=96 D=161

TABLE C - Outcomes for Adult Special Populations

	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	85.7%	N=30 D=35	75.0%	N=12 D=16	75.0%	N=42 D=56	87.5%	N=7 D=8
Employment Retention Rate	72.2%	N=26 D=36	84.6%	N=11 D=13	85.7%	N=42 D=49	100%	N=7 D=7
Average Earnings in Six Months	\$12088	N=\$314287 D=26	\$17336	N=\$190700 D=11	\$13009	N=\$546371 D=42	\$9912	N=\$69384 D=7
Employment & Credential Rate	6.5%	N=2 D=31	68.8%	N=11 D=16	62.7%	N=32 D=51	55.6%	N=5 D=9

TABLE D - Other Outcome Information for the Adult Program

	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	80.8%	N=105 D=130	79.2%	N=19 D=24
Employment Retention Rate	85.3%	N=116 D=136	80.0%	N=24 D=30
Average Earnings in Six Months	\$13792	\$1599904 116	\$7109	\$170621 24

TABLE E - Dislocated Worker Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	Numerator/Denominator
Entered Employment Rate	84%	92.6%	N=87 D=94
Employment Retention Rate	91%	99.1%	N=111 D=112
Average Earnings in Six Months	\$14200	\$15502	N=\$1720716 D=111
Employment & Credential Rate	60%	53.5%	N=46 D=86

TABLE F - Outcomes for Dislocated Worker Special Populations

	Veterans	Individuals With Disabilities	Older Individuals	Displaced Homemakers
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Entered Employment Rate	100%	N=10 D=10	85.7%	N=6 D=7	84.2%	N=16 D=19	100%	N=1 D=1
Employment Retention Rate	100%	N=10 D=10	100%	N=5 D=5	100%	N=24 D=24	0%	N=0 D=0
Average Earnings in Six Months	\$13109	N=131094 D=10	\$13247	N=66238 D=5	\$12467	N=\$299208 D=24	\$0.0	N=0 D=0
Employment & Credential Rate	70%	N=7 D=10	20%	N=1 D=5	68.8%	N=11 D=16	0%	N=0 D=1

TABLE G - Other Outcome Information for the Dislocated Worker Program

	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	93.4%	N=71 D=76	88.9%	N=16 D=18
Employment Retention Rate	98.8%	N=85 D=86	100%	N=26 D=26
Average Earnings in Six Months	\$15878	N=1349641 D=85	\$14272	N=\$371075 D=26

TABLE H.1 - Youth (14 – 21) Program Results

	Negotiated Performance Level	Actual Performance Level	Numerator/Denominator
Placement in Employment of Education	0%	42.1%	N=90 D=214
Attained Degree or Certification	0%	9.7%	N=17 D=176
Literacy or Numeracy Gains	0%	0	N=0 D=22

TABLE H.2 - Older Youth Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	Numerator/Denominator
Entered Employment Rate	73%	66.7%	N=8 D=12
Employment Retention Rate	84%	80%	N=12 D=15
Earnings Change in Six Months	\$3700	\$3841	N=\$57612 D=15
Employment & Credential Rate	55%	50%	N=7 D=14

TABLE I - Outcomes for Older Youth Special Populations

	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Out-of-School Youth	
Entered Employment Rate	100%	N=1 D=1	0.0%	N=0 D=0	66.7%	N=6 D=9	60%	N=6 D=10
Employment Retention Rate	100.0%	N=1 D=1	0.0%	N=0 D=0	88.9%	N=8 D=9	78.6%	N=11 D=14
Earnings Change in Six Months	\$3685	N=3685 D=1	\$0	N=0 D=0	\$6114	N=\$55028 D=9	\$3928	N=\$54998 D=14
Employment & Credential Rate	100%	N=1 D=1	0.0%	N=0 D=0	54.5%	N=6 D=11	41.7%	N=5 D=12

TABLE J - Younger Youth Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	Numerator/Denominator
Skill Attainment Rate	82%	77.9%	N=240 D=308
Diploma or Equivalent Attainment Rate	53%	60%	N=21 D=35
Retention Rate	62%	53.1%	N=34 D=64

TABLE K - Outcomes for Younger Youth Special Populations

	Public Assistance Recipients Receiving Intensive or Training Services		Individuals With Disabilities		Out-of-School Youth	
Skill Attainment Rate	73.1%	N=38 D=52	79%	N=188 D=238	64.2%	N=34 D=53
Diploma or Equivalent Attainment Rate	100%	N=1 D=1	66.7%	N=14 D=21	53.8%	N=14 D=26
Retention Rate	57.1%	N=4 D=7	57.5%	N=23 D=40	53.2%	N=25 D=47

TABLE L - Other Reported Information

	12 Month Employment Retention Rate		12 Mo. Earnings Change (Adults and Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements for Participants in Nontraditional Employment		Wages at Entry Into Employment for Those Individuals Who Entered Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	81.1%	N=103 D=127	\$5540	N=\$703536 D=127	4%	N=5 D=124	\$5236	N=649212 D= 124	65.7%	N=69 D=105
Dislocated Workers	95.8%	N=91 D=95	87.1%	N=\$1491678 D=\$1711679	4.6%	N=4 D=87	\$6423	N=558771 D=87	69%	N=49 D=71
Older Youth	70%	N=7 D=10	\$3695	N=\$36954 D=10	0%	N=0 D=8	\$2726	N=21807 D=8	0%	N=0 D=0

TABLE M - Participation Levels

	Total Participants Served	Total Exiters
Total Adult Customers	459	246
Total Adults (Self-Service Only)	4	0
WIA Adults	256	168
WIA Dislocated Workers	203	78
Total Youth (14-21)	587	236
Younger Youth (14-18)	495	219
Older Youth (19-21)	92	17
Out-of-School Youth	207	64
In-School Youth	380	172

TABLE N - Cost of Program Activities

Program Activity		Total Federal Spending
Local Adults		\$ 1,811,440
Local Dislocated Workers		\$ 846,721
Local Youth		\$ 2,374,428
Rapid Response (up to 25%) 134 (a) (2) (A)		\$ 36,412
Statewide Required Activities (up to 25%) 134 (a) (2) (B)		\$ 783,849
Statewide Allowable Activities 134 (a) (3)	Program Activity Description	
Total of All Federal Spending Listed Above		\$ 5,852,850