

1 S.213

2 Introduced by Senator Illuzzi

3 Referred to Committee on

4 Date:

5 Subject: Economic development; Vermont training program; department of
6 labor

7 Statement of purpose: This bill proposes to transfer the Vermont training
8 program from the agency of commerce and community development to the
9 department of labor and enhance various aspects of the program's reporting
10 requirements.

11 An act relating to the Vermont training program

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 10 V.S.A. § 531 is amended as follows:

14 § 531. VERMONT TRAINING PROGRAM

15 (a) The ~~secretary of commerce and community development~~ commissioner
16 of labor may issue performance-based grants to any employer, consortium of
17 employers, or providers of training, either individuals or organizations, as
18 necessary, to conduct training under the following circumstances:

19 (1) when issuing grants to an employer or consortium of employers, the
20 employer promises as a condition of the grant to increase employment or

1 provide training to enhance employment stability at an existing or expanded
2 eligible facility within the state where eligible facility is defined as in
3 subdivision 212(6) of this title relating to Vermont economic development
4 authority, or the employer or consortium of employers promises to open an
5 eligible facility within the state which will employ persons, provided that for
6 the purposes of this section, eligible facility may be broadly interpreted to
7 include employers in sectors other than manufacturing; and

8 (2) training is required for potential employees, new employees, or
9 long-standing employees in the methods, either singularly or in combination
10 relating to ~~pre-employment~~ preemployment training, on-the-job training,
11 upgrade training and crossover training, or specialized instruction, either in-
12 plant or through a training provider.

13 * * *

14 (c) The employer promises as a condition of the grant to:

15 (1) employ new persons at a wage which, at the completion of the
16 training program, is two times the prevailing state or federal minimum wage,
17 whichever is greater, reduced by the value of any existing health benefit
18 package up to a limit of 30 percent of the gross program wage, or for existing
19 employees, to increase the wage to two times the prevailing state and federal
20 minimum wage, whichever is greater, reduced by the value of any existing
21 health benefit package up to a limit of 20 percent of the gross program wage,

1 upon completion of training; provided, however, that in areas defined by the
2 ~~secretary of commerce and community development~~ commissioner in which
3 the ~~secretary~~ commissioner finds that the rate of unemployment is 50 percent
4 greater than the average for the state, the wage rate under this subsection may
5 be set by the ~~secretary~~ commissioner at a rate no less than one and one-half
6 times the federal or state minimum wage, whichever is greater;

7 (2) employ persons who have completed the training provided for them
8 and nominated as qualified for a reasonable period at the wages and
9 occupations described in the contract, unless the employer reasonably finds the
10 nominee is not qualified;

11 (3) provide its employees with at least three of the following:

12 (A) health care benefits with 50 percent or more of the premium paid
13 by the employer;

14 (B) dental assistance;

15 (C) paid vacation and holidays;

16 (D) child care;

17 (E) other extraordinary employee benefits; and

18 (F) retirement benefits.

19 (4) submit a customer satisfaction report to the ~~secretary of commerce~~
20 ~~and community development~~ commissioner, on a form prepared by the

1 ~~secretary~~ commissioner for that purpose, no more than 30 days from the last
2 day of the training program.

3 (d) In order to avoid duplication of programs or services and to provide the
4 greatest return on investment from training provided under this section, the
5 ~~secretary of commerce and community development~~ commissioner shall:

6 (1) ~~first consult with the commissioner of labor regarding~~ determine
7 whether the grantee has accessed, or is eligible to access, other workforce
8 development and training resources offered by public or private workforce
9 development partners;

10 (2) disburse grant funds only for training hours that have been
11 successfully completed by employees; provided that a grant for on-the-job
12 training shall either provide not more than 50 percent of wages for each
13 employee in training, or not more than 50 percent of trainer expense, but not
14 both, and further provided that training shall be performed in accordance with
15 a training plan that defines the subject of the training, the number of training
16 hours, and how the effectiveness of the training will be evaluated; and

17 (3) use funds under this section only to supplement training efforts of
18 employers and not to replace or supplant training efforts of employers.

19 (e) The ~~secretary of commerce and community development~~ commissioner
20 shall administer all training programs under this section, may select and use
21 providers of training as appropriate, and shall adopt rules and may accept

1 services, money, or property donated for the purposes of this section. The
2 ~~secretary~~ commissioner may promote awareness of, and may give priority to,
3 training that enhances critical skills, productivity, innovation, quality, or
4 competitiveness, such as training in Innovation Engineering, “Lean” systems,
5 and ISO certification for expansion into new markets. The rules shall include
6 procedures for collecting and reporting employee wages and for periodically
7 verifying that such information has been accurately reported.

8 (f) Upon completion of the training program for any individual, the
9 ~~secretary of commerce and community development~~ commissioner shall
10 review the records and shall award to the trainee, if appropriate, a certificate of
11 completion for the training.

12 (g) None of the criteria in subdivision (a)(1) of this section shall apply to a
13 designated job development zone under chapter 29, subchapter 2 of this title.

14 (h) ~~The secretary may designate the commissioner of economic, housing~~
15 ~~and community development to carry out his or her powers and duties under~~
16 ~~this chapter. [Repealed.]~~

17 (i) Program Outcomes.

18 (1) ~~On or before September 1, 2011, the agency of commerce and~~
19 ~~community development, in coordination with the department of labor, and~~
20 The commissioner, in consultation with the workforce development council
21 and the legislative joint fiscal office, shall develop, to the extent appropriate, a

1 common set of benchmarks and performance measures for the training
2 program established in this section and the workforce education and training
3 fund established in section 543 of this title, and shall collect employee-specific
4 data on training outcomes regarding the performance measures; provided,
5 however, that the ~~secretary~~ commissioner shall redact personal identifying
6 information from such data. The performance measures shall take into account
7 data such as:

8 (A) The total number of employees of a participating employer.

9 (B) The average and median wages and the distribution of employees
10 in applicable wage categories.

11 (C) The number of jobs by occupational code.

12 (D) The number, if any, of jobs terminated either during participation
13 in the program or within six months after completion of the program.

14 (2) On or before January 15, 2013, the joint fiscal office shall prepare a
15 performance report using the benchmarks and performance measures created
16 pursuant to subdivision (1) of this subsection. The joint fiscal office shall
17 submit its report to the senate committee on economic development, housing
18 and general affairs and the house committee on commerce and economic
19 development.

20 (3) The ~~secretary~~ commissioner shall use information gathered pursuant
21 to this subsection and customer satisfaction reports submitted pursuant to

1 subdivision (c)(4) of this section to evaluate the program and make necessary
2 changes that fall within the ~~secretary's~~ commissioner's authority or, if beyond
3 the scope of the ~~secretary's~~ commissioner's authority, to recommend necessary
4 changes to the appropriate committees of the general assembly.

5 (j) Consistent with the training program's goal of providing specialized
6 training and increased employment opportunities for Vermonters, and
7 notwithstanding provisions of this section to the contrary, the ~~secretary~~
8 commissioner shall canvas apprenticeship sponsors to determine demand for
9 various levels of training and classes and shall transfer up to \$250,000.00
10 annually to the regional technical centers to fund or provide supplemental
11 funding for apprenticeship training programs leading up to certification or
12 licensing as journeyman or master electricians or plumbers. The ~~secretary~~
13 commissioner shall seek to provide these funds equitably throughout Vermont;
14 however, the ~~secretary~~ commissioner shall give priority to regions not
15 currently served by apprenticeship programs offered through the Vermont
16 department of labor pursuant to 21 V.S.A. chapter 13 ~~of Title 21~~.

17 (k) Annually on or before January 15, the ~~secretary~~ commissioner shall
18 submit a report to the house committee on commerce and economic
19 development and the senate committee on economic development, housing and
20 general affairs summarizing all active and completed contracts and grants, the
21 types of training activities provided, the number of employees served, and the

1 average and median wage by employer, a list and description of the benefits
2 required under subdivision (c)(3) of this section, the number of employers
3 allowed to pay reduced wages under subdivision (c)(1) of this section, and
4 addressing any waivers granted.

5 Sec. 2. TRANSITIONAL PROVISIONS

6 Vermont training program rules adopted by the secretary of commerce and
7 community development and in effect before the effective date of this act shall
8 remain in effect until amended or repealed by the commissioner of labor,
9 except that any rights and responsibilities of the agency of commerce and
10 community development under those rules shall constitute the rights and
11 responsibilities of the department of labor. All decisions of the secretary of
12 commerce and community development shall be deemed to have been
13 decisions of the commissioner of labor.

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on October 1, 2012.