

The Vermont Labor Market

Departments of Employment & Training / Labor & Industry

Vermont Department of

Employment & Training

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P.O. Box 488 • Montpelier, Vermont 05601-0488 • Tel.: (802) 828-4000 • FAX: (802) 828-4022

<http://www.det.state.vt.us>

Commissioner's Message

Vermont's Career Start Project

The Department of Employment & Training continually seeks opportunities to help Vermont youth succeed in the workplace. The transition to adulthood for youth with disabilities is particularly difficult and often complicated by a variety of factors. In an effort to improve transitional and employment outcomes of these young people with disabilities, DET has joined forces with the Vermont Department of Education (DOE), the Vermont Division of Vocational Rehabilitation (DVR) and the Human Resources Investment Council (HRIC) in applying for and receiving a five-year Department of Labor Grant.

Some startling indicators propelled the application:

- Vermont has experienced a striking 19.5 percent growth in the numbers of transition-aged youth receiving special education services in the last 5 years.
- Although special education students comprised about 12 percent of the total student population (FY 2000), they accounted for 20 percent of the dropouts.

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The Edge

Where the Jobs Are

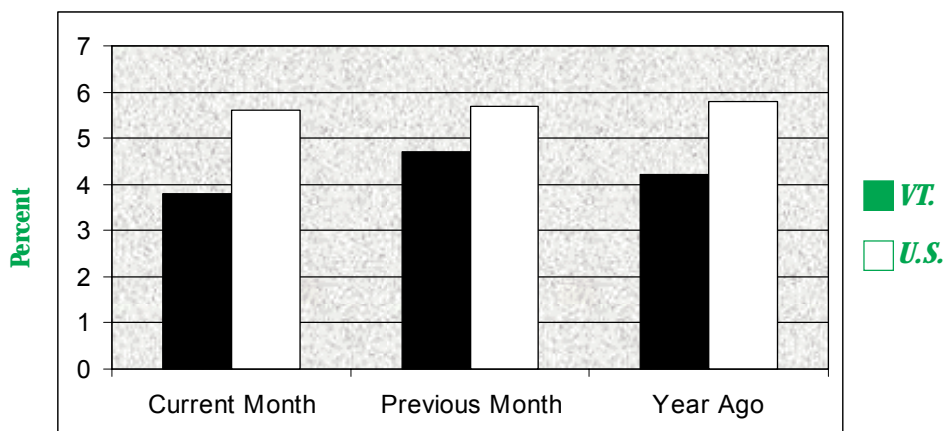
Outsourcing. A few years ago we heard the words downsizing, rightsizing and layoff. If outsourcing is the new reality for the economy, where will the jobs be in the next years? The Bureau of Labor Statistics released the 2002-2012 Employment Projections in February. This ten-year projection, which is done every two years, is used as a guideline for planning education and training programs, by career guidance professionals and to study long-range employment trends.

Employment nationally is expected to increase by 21.3 million jobs over the 2002-2012 decade, which represents a slightly slower growth rate than in the 1992-2002 period of time. That growth will be concentrated in the service-providing sector of the economy, with education and health services and professional and business services growing the fastest. Construction will continue to grow, albeit at a slower rate than in the previous decade, but manufacturing will continue to decline. Industries with the largest decline in employment will be apparel manufacturing, textile mills, and

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Unemployment Rates Vermont and U.S.

January (SA) 2004 Rates
VT 3.8% • U.S. 5.6%



Commissioner's Message –

(continued from front page)

- Only 14 percent of youth with disabilities attend post-secondary school versus 53 percent of the general population. Statistics show that post-secondary training brings substantial economic gains in the labor market.
- The fastest growing population incarcerated in Vermont prisons are youth under age 22. More than half of these require special education services.

The Career Start Project will work through a system of small, school-based programs of individualized employment supports. We plan to establish five model demonstration sites and will be working with workforce development partners in local transition planning efforts. One of the most important expected outcomes is for the youth involved to exit the program with increased employment opportunities. Some of the components of the program are:

- **Community Dialogue Sessions:**

Vermont's local WIBs will conduct an assessment of current state and local transition services for youth with disabilities, their capacity to meet identified needs and their ability to respond proactively to changing conditions. This resource mapping will answer such questions as: What are the major gaps in service delivery? Who are the target populations of youth most in need of improved access to services? And, to what extent are employers involved in our workforce development system?

- **Demonstration Sites:**

Five Pilot Demonstration Sites will be selected and will offer individualized employment and post-secondary supports to youth with disabilities. These will include preparatory experiences, such as career assessment, information about occupational opportunities, training in job-seeking and keeping

skills, and access to support and accommodations needed for the workplace and community living. Work-based experiences will be offered and will include multiple on-the-job training opportunities as well as chances for *real work* before graduation. Transition planning, tutoring and post-program supports will be built in. Youth leadership development is another important component and will include mentors, training in transition planning, disability issues and disability culture.

- **State Plan:** Partners will develop and implement a multi-year, cross-agency State Plan that includes financial and programmatic sustainability strategies.

DET is proud to be a part of this important effort and looks forward to increasing employment rates, post-secondary enrollments and high school retention among youth with disabilities.



The Edge – (continued from front page)

computer and electronic product manufacturing.

Professional and related occupations, which include architecture and engineering occupations, healthcare practitioners, and education, training and library occupations among others, are projected to increase the fastest and to add the most jobs. Service occupations, at the opposite end of the educational and earnings spectrum, will increase at almost the same rate. These two occupational groups represent more than half of the total job growth for the time period.

When reviewing the projections data, it is important to keep in mind the difference between fastest growing occupations, which reflects percent change, and occupations with the most job growth—actual numbers of jobs added to the economy. Registered nurses tops the list of occupations with the largest job growth from 2002-2012, followed by postsecondary teachers. When we look at the ten fastest growing occupations (i.e. largest percent change) the list is dominated by healthcare occupations. The fastest growing occupation is medical assistant; other occupations representing the increased need for healthcare workers are physician assistants, home health aides, physical therapist aides and physical therapist assistants. Computer or information technology occupations represent the rest of the list.

For six of the ten fastest growing occupations, an associate or bachelor's degree is the most significant source of post-secondary training; for occupations with the most job growth, short-term on-the-job training is the most significant.

The labor force will be dramatically affected by the aging of the baby-boom generation, with the number of workers in the 55 and older group projected to grow by almost 50 percent, or 4 times the growth projected for the overall labor force. About a fifth of the labor force will be 55 or older by 2012. Additionally, the number of women in the labor force will grow much faster than the number of men and will increase to just under half of the total labor force by 2012.

More detailed information on the most recent national projections appears in five articles in the February 2004 issue of the Monthly Labor Review, which is available on the web at: www.bls.gov/opub/mlr/mlrhome.htm



DET Notebook

The Rutland Career Resource Center is currently offering a multitude of workshops, helping job seekers secure jobs and explore career interests.

Again this spring, teens and young adults can take advantage of “Jump Start Your Job Search” - a series of workshops for young job seekers. In five sessions, participants learn how to look for work, develop job contacts, and prepare for interviews. Last spring’s workshops invited employers from radio, cosmetology, retail, and transportation to speak about their expectations for their young workers.

“Welcome to the World of Work” is a workshop presented to local middle and high schools. It provides interactive and fun exercises and games to make the subject of career development more “hands-on” and meaningful. Self-assessments help students discover their interests, values, and personality. Mock interviewing and resume preparations

are incorporated, along with an introduction to local services available to young people.

“Learn to Earn” is a statewide program encouraging teens to enroll in upper level science, math, and technology courses to help prepare them for the increasing number of high-tech, healthcare, and manufacturing jobs within the state. In coordination with the Rutland Region Workforce Investment Board, the Rutland CRC assists employers from the high-tech fields in developing interactive school presentations for local eighth and ninth grades.

Serving our adult job seekers, “Networking”, facilitated by a staff member, gathers participants every two weeks to share job leads and give support. While looking for openings in their own fields, participants are able to share leads with fellow job seekers. Self-assessment career interest surveys and web-searching tutorials give clients

extra assistance.

Two days a week, “Job Club” provides a DET orientation, job search information, community service placement orientation, and job savvy instruction. Reach-up participants can access useful information in a supportive group environment.

“Career Focus”, presented by VSAC’s Career and Educational Counselor, introduces essential steps for making career decisions, including self-assessment of interests and abilities, defining values, resources, goal setting, and preparing a career plan. This workshop is offered in Rutland twice a semester, in coordination with the Community College of Vermont.

Each semester, VSAC also provides “Scholarship Search”, helping participants investigate how to search for the latest scholarships using various resources: VSAC, libraries, books, database programs, and the Internet. This workshop covers some of the common myths and scams related to scholarships.

Please call the Rutland CRC (802) 786-5837 for information about any of these programs.

***Melissa H. Ballard,
Employment Specialist***

Economic Spotcheck

Local Unemployment Rates (Not Seasonally Adjusted)

Town/City*	Jan. '04	Dec. '03	Jan. '03
Barre City	11.7	7.4	13.6
Barre Town	4.4	2.6	5.3
Bennington Town	5.6	5.3	7.6
Brattleboro Town	3.8	4.0	4.3
Burlington City	3.5	3.4	3.8
Colchester Town	3.4	3.3	3.4
Essex Town	3.4	3.4	3.6
Hartford Town	2.1	2.1	2.1
Middlebury Town	3.0	2.9	3.5
Milton Town	6.5	5.2	6.2
Montpelier City	2.5	2.3	3.0
Rutland City	2.8	2.9	3.3
Shelburne Town	1.2	1.5	2.4
So. Burlington City	2.8	2.7	3.1
Springfield Town	5.6	5.7	9.1
Williston Town	1.3	1.0	1.2

*16 Largest Towns in Vermont

U.S. CONSUMER PRICE INDEX Base Period (1982 - 1984 = 100)

	Jan. 2004	Dec. 2003	Jan. 2003
All Items Index	185.2	184.3	181.7
Annual Percent Change	1.9	1.9	2.6

BRIEF EXPLANATION OF THE CPI - The Consumer Price Index (CPI) is a measure of the average change in prices over time of a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, fuels, transportation fares, and other items that people buy for day to day living. The CPI shown above represents the U.S. city average for all urban consumers and is not seasonally adjusted.

There is no separate Consumer Price Index for Vermont or any area within the state.

Employment Trends

Total seasonally adjusted January employment increased, expanding by 5,600 from the previous month with 340,000 working Vermonters. This estimate includes all Vermont residents who worked, whether at wage and salary jobs, or as self-employed.

The release of the January Current Employment Statistics (CES) estimates incorporates annual benchmark revisions, which affect January 2002 through December 2003. Both years experienced a slight downward revision and should be noted when viewing historical data for that period.

On a seasonally adjusted basis, the estimated number of nonfarm jobs jumped by 0.3 percent to 300,200 for a gain of 900 jobs. Health Care & Social Assistance experienced the largest gain, adding 300 jobs. This was followed by Leisure & Hospitality and Retail Trade, which added 200 jobs each. Total Government experienced a somewhat heavy loss, down 400. Education is included in this industry and because of the volatility of the various educational calendars during this period; the estimated over the month change can vary as a result.

The more detailed unadjusted estimates decreased by over 6,700 in January, largely due to losses in industries affected by seasonal activities. Retail Trade, Construction as well as Private and State Government Education accounted for much of the loss. Manufacturing fell by 700 with Durable Goods accounting for much of the loss in January. Accommodations helped to somewhat offset job losses in other industries, adding 2,800 jobs, which is fairly typical due to a high demand for seasonal workers in resort areas

throughout Vermont.

These preliminary January estimates reflect an annual increase of 0.4%. Leading the way in terms of growth was Health Care & Social Assistance, which contributed almost 1,850 jobs. It also added jobs in ten of twelve months in 2003. Construction added almost 1,000 jobs. Historically low interest rates could have played a role in its annual growth. Manufacturing proved to be the loss leader over the year, loosing 1,300 jobs. Though losses were found in Durable and Non-Durable Goods, Durable Goods was by far the greatest contributor to the loss, more specifically, Computer & Electrical Equipment Manufacturing.

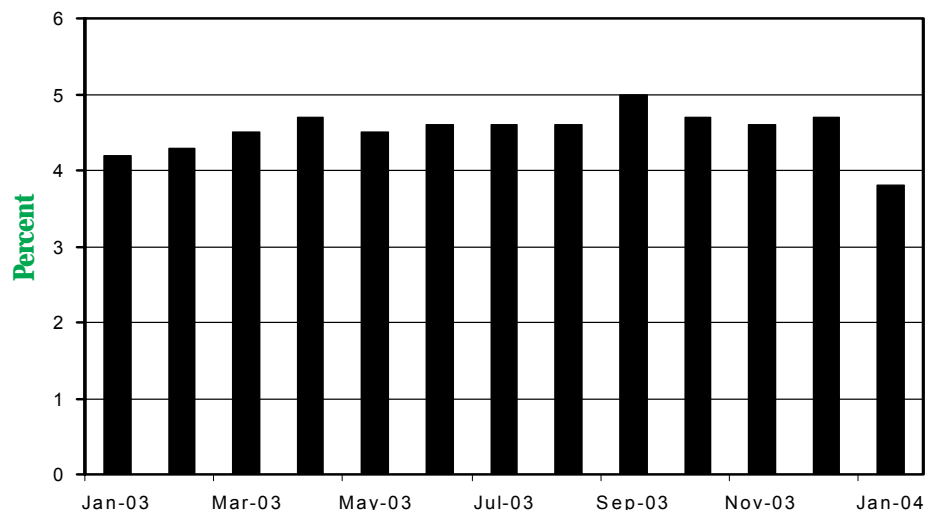
Unemployment Trends

Vermont's seasonally adjusted January unemployment rate of 3.8 percent was down nine tenths of a point from the revised December rate, with an estimated 13,600 Vermonters unemployed during the month. This wide variation in the rate is due in part to the annual benchmark revision and should not be viewed as comparable over the month.

The comparable national unemployment rate was 5.6 percent for January, down one tenth of a point from December. Vermont continues to be well under the national rate.

The number of initial claims for Unemployment Insurance filed in January decreased significantly from the previous month, mostly in Manufacturing and Service Industries. Total initials within Manufacturing went from almost 2,300 in December to almost 750 in January. The largest drops having come from both Furniture & Nonmetallic Mineral Product Manufacturing.

Vermont Seasonally Adjusted Unemployment Rate



Labor Force Estimates *(Seasonally Adjusted)*

Vermont	Jan. '04	Dec. '03	Jan. '03	Changes from:	
				Dec. '03	Jan. '03
TOTAL LABOR FORCE¹	353,600	350,800	350,700	2,800	2,900
TOTAL EMPLOYMENT	340,000	334,400	335,900	5,600	4,100
TOTAL UNEMPLOYMENT	13,600	16,500	14,800	-2,900	-1,200
RATE	3.8	4.7	4.2	-0.9	-0.4

¹Includes proprietors, professionals, and unpaid family workers.
VCM Regression Methodology

Labor Market Areas *(Not Seasonally Adjusted)*

	Jan. 2004	Dec. 2003	Jan. 2003		Jan. 2004	Dec. 2004	Jan. 2003
BARRE-MONTPELIER				MORRISTOWN-STOWE			
Labor Force	41,200	40,800	40,250	Labor Force	20,300	19,900	20,350
Unemployment	2,450	1,750	2,700	Unemployment	1,250	1,150	1,350
Rate	5.9	4.3	6.7	Rate	6.1	5.7	6.7
Employment	38,800	39,050	37,550	Employment	19,050	18,750	19,000
BENNINGTON-MANCHESTER				NEWPORT			
Labor Force	21,750	21,500	21,650	Labor Force	13,450	13,850	14,050
Unemployment	1,000	1,000	1,200	Unemployment	1,200	1,050	1,500
Rate	4.6	4.7	5.5	Rate	9.1	7.6	10.5
Employment	20,750	20,500	20,450	Employment	12,200	12,800	12,550
BURLINGTON				RANDOLPH			
Labor Force	106,750	108,050	104,350	Labor Force	6,400	6,600	6,350
Unemployment	3,900	3,800	4,150	Unemployment	450	350	400
Rate	3.7	3.5	4.0	Rate	6.8	5.1	6.5
Employment	102,850	104,250	100,200	Employment	5,950	6,250	5,950
ENOSBURG				RUTLAND			
Labor Force	10,300	10,600	10,900	Labor Force	31,200	30,600	31,300
Unemployment	850	850	1,000	Unemployment	1,600	1,500	1,700
Rate	8.5	7.9	9.0	Rate	5.1	5.0	5.4
Employment	9,400	9,750	9,900	Employment	29,600	29,100	29,600
HARTFORD-LEBANON,VT-NH LMA (VT PORTION ONLY)				ST. JOHNSBURY			
Labor Force	29,200	29,500	28,650	Labor Force	15,150	15,300	15,250
Unemployment	850	700	850	Unemployment	1,100	900	1,150
Rate	2.9	2.4	3.0	Rate	7.1	5.9	7.7
Employment	28,350	28,800	27,800	Employment	14,100	14,400	14,100
KEENE-BRATTLEBORO,NH-VT LMA (ENTIRE AREA)				SPRINGFIELD			
Labor Force	N/A	N/A	N/A	Labor Force	10,600	10,350	10,650
Unemployment	N/A	N/A	N/A	Unemployment	500	500	650
Rate	N/A	N/A	N/A	Rate	4.9	4.9	6.3
Employment	N/A	N/A	N/A	Employment	10,100	9,850	9,950
MIDDLEBURY				STATEWIDE			
Labor Force	20,400	20,700	20,900	Labor Force	351,150	351,900	348,650
Unemployment	1,000	900	1,100	Unemployment	16,950	15,350	18,600
Rate	4.8	4.3	5.2	Rate	4.8	4.4	5.3
Employment	19,400	19,850	19,850	Employment	334,200	336,550	330,050

Monthly estimates are preliminary and subject to revision.

Detail may not add to totals due to rounding.

Vermont Seasonally Adjusted Nonfarm Employment in Thousands

BY NAICS	<i>Prelim.</i>	<i>Revised</i>	<i>Revised</i>	<i>Changes From:</i>	
	<i>Jan. '04</i>	<i>Dec. '03</i>	<i>Jan. '03</i>	<i>Dec. '03</i>	<i>Jan. '03</i>
Total - All Industries	300.2	299.3	298.5	0.9	1.7
Private Industries	248.4	247.1	247.0	1.3	1.4
Construction	15.7	15.6	14.8	0.1	0.9
Manufacturing	36.9	36.9	38.5	0.0	-1.6
Retail Trade *	38.7	38.5	39.6	0.2	-0.9
Professional & Business Services	20.2	20.1	20.2	0.1	0.0
Private Ed. Services*	12.6	12.7	12.2	-0.1	0.4
Health Care & Social Assistance	40.9	40.6	39.0	0.3	1.9
Leisure & Hospitality*	32.8	32.6	33.0	0.2	-0.2
Total Government	51.8	52.2	51.5	-0.4	0.3

*These estimates are not endorsed by the U.S Bureau of Labor Statistics.

Note: Total - All Industries estimate is seasonally adjusted independently.

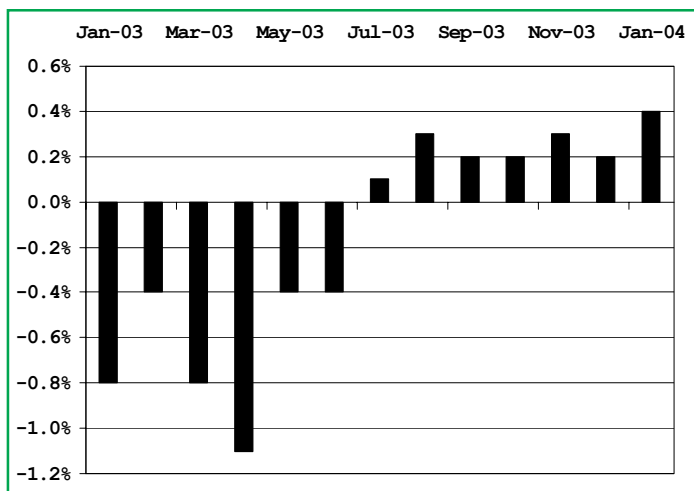
All seasonal adjustment performed with X12-ARIMA. Seasonal factors available from DET/LMI on request.

Produced by the Vermont Department of Employment and Training in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

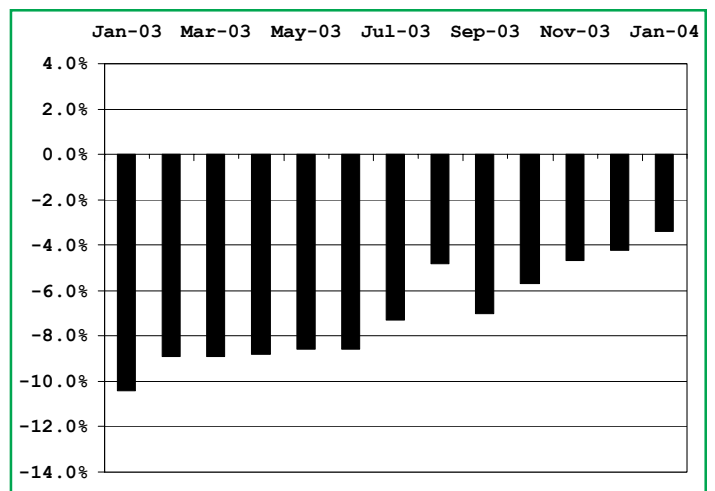
Vermont Annual Job Growth

Not Seasonally Adjusted Data

All Industries



Manufacturing



Nonfarm Employment In Vermont (Not Seasonally Adjusted)

Compiled by the Department of Employment and Training in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	<i>Prelim.</i>	<i>Revised</i>	<i>Revised</i>	<i>Changes From:</i>	
	<i>Jan. '04</i>	<i>Dec. '03</i>	<i>Jan. '03</i>	<i>Dec. '03</i>	<i>Jan. '03</i>
TOTAL NONFARM	298,250	305,000	297,150	-6,750	1,100
TOTAL PRIVATE	245,950	250,000	245,050	-4,050	900
GOODS PRODUCING	51,300	53,850	51,650	-2,550	-350
MANUFACTURING	36,550	37,250	37,850	-700	-1,300
Durable Goods	26,000	26,500	27,100	-500	-1,100
Computer & Electrical Equipment Mfg.	9,100	9,100	9,900	0	-800
Fabricated Metal Products Mfg.	2,900	2,850	2,750	50	150
Machinery Mfg.	3,050	3,050	3,000	0	50
Transportation Equipment Mfg.	2,350	2,300	2,250	50	100
Furniture & Related Product Mfg.	2,450	2,450	2,400	0	50
Non-Durable Goods	10,550	10,750	10,750	-200	-200
Food Mfg.	3,800	3,950	3,750	-150	50
CONSTRUCTION	13,950	15,650	13,000	-1,700	950
NATURAL RESOURCES & MINING	800	950	800	-150	0
SERVICE-PROVIDING	246,950	251,150	245,500	-4,200	1,450
TRADE TRANSPORTATION AND UTILITIES	57,050	59,650	58,000	-2,600	-950
Wholesale Trade	10,150	10,500	10,150	-350	0
Retail Trade	38,300	40,200	39,250	-1,900	-950
Food & Beverage Stores	9,200	9,150	9,650	50	-450
General Merchandise Store	2,900	3,250	2,750	-350	150
Transportation, Warehousing and Utilities	8,600	8,950	8,600	-350	0
Utilities	1,700	1,750	1,700	-50	0
Transportation & Warehousing	6,900	7,200	6,900	-300	0
INFORMATION	6,400	6,550	6,450	-150	-50
FINANCIAL ACTIVITIES	13,050	13,250	13,000	-200	50
Finance & Insurance	10,150	10,350	10,050	-200	100
Real Estate, Rental & Leasing	2,900	2,900	2,950	0	-50
PROFESSIONAL AND BUSINESS SERVICES	19,500	20,200	19,350	-700	150
Professional, Scientific and Technical	11,700	12,200	12,000	-500	-300
Administrative, Support and Waste	7,600	8,250	7,100	-650	500
EDUCATIONAL AND HEALTH SERVICES	53,150	53,850	50,900	-700	2,250
Educational Services	12,400	13,200	12,000	-800	400
College, Universities and Professional	6,700	6,800	6,850	-100	-150
Health Care and Social Assistance	40,750	40,650	38,900	100	1,850
Ambulatory Health Care Services	15,650	15,700	15,200	-50	450
Hospitals	10,350	10,350	10,000	0	350
Nursing and Residential Care Facilities	6,750	6,750	6,600	0	150
LEISURE AND HOSPITALITY	35,550	32,600	35,850	2,950	-300
Arts, Entertainment and Recreation	3,250	3,100	3,200	150	50
Accommodation and Food Services	32,300	29,500	32,650	2,800	-350
Accommodations	15,150	12,300	15,150	2,850	0
Hotels & Motels	14,150	12,300	14,150	1,850	0
Food Services and Drinking Places	17,150	17,200	17,500	-50	-350
OTHER SERVICES	9,950	10,050	9,850	-100	100
GOVERNMENT	52,300	55,000	52,100	-2,700	200
Federal Government	6,100	6,250	6,200	-150	-100
State Government Education	7,150	9,400	6,900	-2,250	250
Local Government Education	23,550	23,700	23,500	-150	50
Other State Government	8,950	8,950	8,900	0	50
Other Local Government	6,550	6,700	6,600	-150	-50

Nonfarm Employment By Area (Not Seasonally Adjusted)

Note: Monthly estimates are preliminary and subject to revision. See Annual Employment & Earnings for details. Benchmark 3/2002.

Burlington

INDUSTRY BY NAICS	Preliminary	Revised	Revised	Changes From:	
	Jan. '04	Dec. '03	Jan. '03	Dec. '03	Jan. '03
TOTAL NONFARM	106,300	109,900	105,500	-3,600	800
TOTAL PRIVATE	88,100	90,250	87,650	-2,150	450
GOODS PRODUCING	19,650	20,100	20,200	-450	-550
MANUFACTURING	14,650	14,750	15,600	-100	-950
Durable Goods	11,000	11,150	12,000	-150	-1,000
NATURAL RESOURCES, MINING & CONST.	5,000	5,350	4,600	-350	400
SERVICE PROVIDING	86,650	89,800	85,300	-3,150	1,350
TRADE, TRANSPORTATION AND UTILITIES	20,700	21,500	21,000	-800	-300
Wholesale Trade	3,700	3,850	3,850	-150	-150
Retail Trade	14,000	14,600	14,100	-600	-100
Transportation, Warehousing & Utilities	3,000	3,050	3,050	-50	-50
INFORMATION	3,200	3,200	3,050	0	150
FINANCIAL ACTIVITIES	5,200	5,250	5,150	-50	50
PROFESSIONAL & BUSINESS SERVICES	9,250	9,650	9,150	-400	100
Professional Scientific and Technical	5,950	5,900	6,000	50	-50
EDUCATIONAL & HEALTH SERVICES	18,100	18,000	17,300	100	800
Health Care and Social Assistance	14,700	14,600	13,900	100	800
LEISURE AND HOSPITALITY	8,450	8,950	8,200	-500	250
Accommodation and Food Services	6,800	7,300	6,900	-500	-100
Food Services and Drinking Places	5,800	6,150	5,750	-350	50
OTHER SERVICES	3,550	3,600	3,600	-50	-50
GOVERNMENT	18,200	19,650	17,850	-1,450	350
Federal Government	2,850	2,900	2,950	-50	-100
State Government Education	5,500	6,650	5,100	-1,150	400
Local Government Education	5,950	6,100	6,000	-150	-50
Other State Government	1,650	1,600	1,550	50	100
Other Local Government	2,250	2,400	2,250	-150	0

Barre-Montpelier

TOTAL NONFARM	33,900	34,850	33,250	-950	650
TOTAL PRIVATE	25,200	25,950	24,850	-750	350
GOODS PRODUCING	4,300	4,750	3,900	-450	400
MANUFACTURING	2,900	3,150	2,650	-250	250
NATURAL RESOURCES, MINING & CONST.	1,400	1,600	1,250	-200	150
SERVICE-PROVIDING	29,600	30,100	29,350	-500	250
TRADE, TRANSPORTATION AND UTILITIES	5,800	6,000	5,750	-200	50
Wholesale Trade	950	950	950	0	0
Retail Trade	4,150	4,300	4,100	-150	50
Transportation, Warehousing & Utilities	700	750	700	-50	0
INFORMATION	700	700	700	0	0
FINANCIAL ACTIVITIES	2,650	2,700	2,700	-50	-50
PROFESSIONAL AND BUSINESS SERVICES	1,900	1,950	1,800	-50	100
EDUCATIONAL & HEALTH SERVICES	5,250	5,400	5,250	-150	0
Health Care and Social Assistance	3,750	3,800	3,700	-50	50
LEISURE AND HOSPITALITY	3,200	3,050	3,400	150	-200
Accommodation and Food Services	2,900	2,600	3,000	300	-100
OTHER SERVICES	1,400	1,400	1,350	0	50
GOVERNMENT	8,700	8,900	8,400	-200	300
Federal Government	350	350	350	0	0
State Government Education	300	350	250	-50	50
Local Government Education	2,700	2,750	2,700	-50	0
Other State Government	4,750	4,750	4,450	0	300
Other Local Government	600	700	650	-100	-50

Unemployment Insurance Program Summary

	<i>January 2004</i>	<i>December 2003</i>	<i>January 2003</i>	<i>Percent Change From Last Month Last Year</i>	
UI Trust Fund	\$238,319,840	\$241,925,274	\$276,277,387	-1.5%	-13.7%
UI Reg. Benefit Payments *	\$10,233,877	\$9,511,716	\$11,690,369	7.6%	-12.5%
UI Initial Claims	4,102	8,013	4,312	-48.8%	-4.9%
UI Weeks Claimed	42,773	38,697	48,666	10.5%	-12.1%

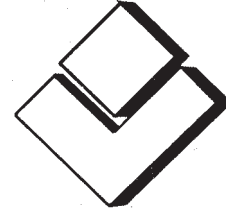
**Includes benefit payments for reimbursable employers.*

Average Hours and Earnings of Production and Nonsupervisory Workers

INDUSTRY BY NAICS	<i>Average Weekly Earnings(\$)</i>			<i>Average Weekly Hours</i>			<i>Average Hourly Earnings(\$)</i>		
	<i>Jan. '04 Prelim.</i>	<i>Dec. '03 Revised</i>	<i>Jan. '03 Revised</i>	<i>Jan. '04 Prelim.</i>	<i>Dec. '03 Revised</i>	<i>Jan. '03 Revised</i>	<i>Jan. '04 Prelim.</i>	<i>Dec. '03 Revised</i>	<i>Jan. '03 Revised</i>
GOODS PRODUCING	595.36	596.17	580.26	40.2	40.2	39.5	14.81	14.83	14.69
Natural Resources & Mining	464.05	464.05	431.12	33.7	33.7	31.7	13.77	13.77	13.60
Construction	635.50	635.50	594.80	41.0	41.0	38.8	15.50	15.50	15.33
Manufacturing	584.66	582.80	577.50	40.1	40.0	39.8	14.58	14.57	14.51
Durable Goods	606.69	606.69	599.09	40.5	40.5	40.1	14.98	14.98	14.94
Non-Durable Goods	517.98	516.26	516.12	38.8	38.7	39.1	13.35	13.34	13.20
SERVICE PROVIDING									
Wholesale Trade	639.73	641.89	618.99	35.6	35.7	34.6	17.97	17.98	17.89
Retail Trade	368.64	367.14	358.75	30.9	30.8	30.3	11.93	11.92	11.84
Health Care & Social Assist.	549.04	549.04	528.57	30.3	30.3	29.3	18.12	18.12	18.04
BURLINGTON AREA									
Manufacturing	571.88	569.16	567.75	37.5	37.2	37.5	15.25	15.30	15.14

Vermont Department of

Labor & Industry



Drawer 20 • Montpelier, Vermont 05620-3401 • Tel.: (802) 828-2288 • FAX: (802) 828-2195

Commissioner's Message

Progress Being Made On Workers' Compensation Reform

Workers' compensation reform is a top priority for Governor Douglas. As the General Assembly nears the midpoint of this legislative session, we are happy to report that significant progress is being made. Legislators are keenly aware that our workers' compensation system is not operating the way we all need it to, and the increasing cost of workers' compensation insurance is causing great hardship for Vermont businesses and their employees.

On February 19th, the House Commerce Committee unanimously voted out a workers' compensation reform bill (H.632). While workers' compensation can often be a controversial and contentious issue, the members of that committee worked very hard to find middle ground and produce a bill that is a positive step forward for Vermont.

The bill was debated on the floor of the House the week before Town Meeting break. The House gave preliminary approval to the bill on February 24th by a vote of 101-39, and the following day passed the bill on a voice vote. The bill now moves to the Senate, where the Committee on Economic Development, Housing and General Affairs has already heard a tremendous amount of testimony on this subject.

H.632 makes several important changes to Vermont's workers' compensation laws:

1. FRAUD

Under current law, the maximum penalty for workers'

compensation fraud is \$10,000. The bill would increase those penalties to up to \$100,000 and three years imprisonment. Additionally, the law would make clear that health care and vocational rehabilitation providers can be charged with workers' compensation fraud, along with employers, employees and insurance carriers.

2. TEMPORARY BENEFITS

Vermont's cumbersome "net income" calculation would be changed to make it easier for adjusters and employees to calculate lost time benefits. Additionally, a provision would be added providing that a person's lost time benefits cannot exceed 90% of their average weekly wage. This is to ensure that no person earns more by being out on compensation than they would while working. Additionally, the bill makes clear that employers may utilize medical case management, and provides that the injured

(Continued on page 11)

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worker shall cooperate with the case manager when utilized.

3. PENALTY FOR LATE PAYMENT

The bill would impose a penalty on insurance carriers who fail to pay benefits in a timely manner. The penalty would be paid to the injured worker.

4. STATUTE OF LIMITATIONS

The bill would reduce the statute of limitation for an initial claim from 6 years to 3 years. Currently, Vermont has the longest statute of limitations in the nation for compensation claims. With this change, we would still be tied for the second longest.

5. VOCATIONAL REHABILITATION

The 90 day mandatory trigger for vocational rehabilitation benefits would be repealed. Instead, the Department of Labor and Industry would develop a screening process for employees who are out of work 60 days, to determine if Vocational Rehabilitation (VR) might be appropriate for those individuals.

6. ON-PREMISE RECREATIONAL INJURIES

Reverses a presumption in current law that an injury from an on-premise recreational injury is compensable, and puts the burden of proof back on the injured worker to prove that such injuries were indeed work-related. This provision is of critical importance to Vermont's ski areas.

7. DURATION OF TEMPORARY TOTAL DISABILITY (TTD)

Limits the time that a worker may receive TTD benefits to two years, with an added safeguard that such time may be extended for up to an additional four years if it is shown that the disability continues, that medical treatment is ongoing, and that the injured worker has not yet reached medical end result.

8. COST OF LIVING ADJUSTMENTS

Vermont is one of a handful of states that provide COLA's on all lost time benefits, including temporary benefits. The bill provides that COLA's would only apply on permanent total disability claims and death benefits.

9. FURTHER STUDY

The bill also directs the Department of Labor and Industry to continue to analyze three outstanding issues: coverage compliance, enforcement of fraud provisions, and apportionment of costs for pre-existing conditions and aggravating injuries. The Department's report on these matters would be delivered to the Legislature before the beginning of next year's session.

While not in the bill, another important aspect of workers' compensation costs is workplace safety. At the Department of Labor and Industry, both VOSHA and Project WorkSAFE are working extremely hard to ensure that Vermont's workplaces are safe and healthy. We recognize that the most effective way to reduce workers' compensation costs is to do a better job preventing and minimizing workplace injuries.

For further information about workers' compensation reform and/or workplace safety, please do not hesitate to contact the Department. You may also want to contact your legislator to get their perspective on this important issue.



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