

*Working Together
for Vermont*

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P.O. Box 488 • Montpelier, VT 05601-0488

National Life Drive • Drawer 20 • Montpelier, VT 05620-3401

Commissioners' Message

Patricia A. McDonald, VDOL Commissioner

Unemployment Insurance - 70 Years Old!

Mid-August of 2005 brings the 70th anniversary of the Unemployment Insurance program. First enacted under federal law as part of the Social Security Act of 1935, the Unemployment Insurance program continues to provide short term, partial wage replacement in situations where individuals lose their jobs through no fault of their own.

The program is based on the concept of a state and federal partnership. When first enacted, few states jumped at the chance to create their own program. The federal government provided incentives to the states to enact unemployment insurance programs through the provision of certain tax credits. Under federal law, employers are required to pay what is now a 6.2% federal unemployment tax, but can take a credit of up to 90% of that tax when their state participates in the program and they pay their state unemployment tax when due. The 90% credit results in a reduction in the federal unemployment tax from 6.2% to .8%. In addition to the federal tax, which primarily provides the funding used to administer the program and pay the federal share of extended benefit programs, employers pay a state unemployment tax that is used solely to pay for the cost of benefits paid to eligible workers.

The program has a number of policy goals, which are just as relevant today as they were in 1935. A statement by the U.S. Department of Labor in 1955 described unemployment insurance as a "program established under Federal and State law, for income maintenance during periods of involuntary unemployment due to lack of work, which provides partial compensation for wage loss as a matter of right...to eligible individuals. It helps to maintain purchasing power and to stabilize the economy. It helps to prevent the dispersal of the employers' trained work force."

At its creation, unemployment benefits were primarily paid to manufacturing or production workers who became unemployed during downturns in the business cycle. Over the years, coverage has been expanded to include other types of workers, including employees of state and local governments.

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The Edge

States Challenged to Improve Dropout Rate Reporting

Vermont joined 46 other states and territories in signing the Compact on State High School Graduation Data in July of this year. Earlier in the year, the National Governors Association convened a Task Force on State High School Graduation Data to make recommendations about how states can develop a high-quality measure for high school graduation. Unfortunately, state dropout data and high school graduation rates have been inconsistently collected and reported. As education reform increasingly focuses on high schools, the quality of graduation and dropout data becomes even more critical.

Specifically, the task force made the following recommendations:

- Immediately adopt, and begin taking steps to implement, the recommended four-year adjusted cohort graduation rate.

Graduates are those earning high school diplomas. Persons who pass the General Educational Development (GED) tests are not considered graduates for the purpose of this definition, nor are students who receive a certificate of completion or other alternative to a diploma.

- Build the state's data system and capacity to ensure that the system can collect, analyze, and

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Commissioner's Message –

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Because states have a great deal of flexibility to determine the terms and conditions under which a worker may become eligible for unemployment benefits, there have been some changes over the years that have expanded the coverage to more workers.

There has also been a lot of change in the economy in this country in the past 70 years. Manufacturing work has been replaced to some degree by service employment, and many of the types of occupations that are covered by unemployment insurance weren't part of the economy in 1935. Computer programmer, for example, is an occupation that did not exist when the unemployment insurance program was created.

The unique design of this federal-state partnership has helped ensure the stability of the program over the past 70 years. Vermont has experienced its ups and downs with the program, including a period of insolvency of the trust fund in the late 1970's. But even after 70 years, the role of the program both at an individual and general economic level has not been diminished.

Patricia A. McDonald

Contact VDOL

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report the adopted indicators and other important information.

- Adopt additional, complementary indicators to provide richer context and understanding about outcomes for students and how well the system is serving them, including five-and six-year cohort graduation rates, a college-ready graduation rate, a dropout rate, in-grade retention rates, and completion rates for students earning alternative completion credentials.
- Develop public understanding about the need for good graduation and dropout rate data.
- Collaborate with local education leaders, higher education leaders, business leaders, and leaders of local community organizations who can help build important political and public support.

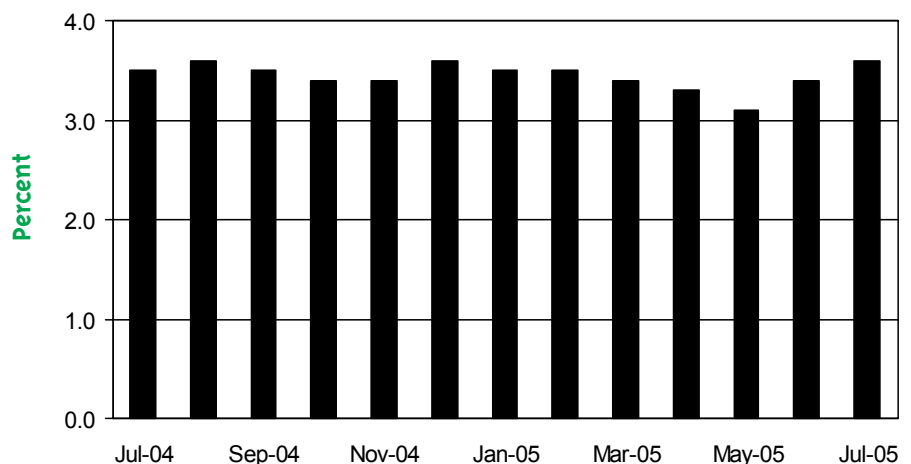
The ultimate goal of these recommendations is better outcomes for students. In addition to the United States' declining academic standing among other industrialized nations, reports from colleges, employers, and young people indicate that high schools are not preparing students for the expectations that they will face. The unemployment rate for high school dropouts is more than 30 percent higher than that of graduates, and when employed, dropouts earn close to 30 percent less. Dropouts are more likely to end up incarcerated and to rely on public assistance.

As we look toward improving the performance of our high schools, and if we want them to truly serve all students and prepare them for work, college and life, we need to know how many students are leaving school altogether. With that information the education community can begin to craft targeted and responsive improvement strategies.

For more information about the National Governors Association initiatives, visit their web site at: www.nga.org

Getting Honest About Grad Rates: How States Play the Numbers and Students Lose, a report published by the Education Trust in June 2005 is available at: <http://www2.edtrust.org/NR/rdonlyres/C5A6974D-6C04-4FB1-A9FC-05938CB0744D/0/GettingHonest.pdf>

Vermont Seasonally Adjusted Unemployment Rate



Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	July '05	June '05	July '04	Changes from:	
				June '05	July '04
TOTAL LABOR FORCE¹	352,300	351,900	353,400	400	-1,100
EMPLOYED	339,500	339,800	340,900	-300	-1,400
UNEMPLOYED	12,800	12,100	12,500	700	300
RATE (%)	3.6	3.4	3.5	0.2	0.1

¹Includes proprietors, professionals, and unpaid family workers.

Labor Market Areas By Residence *(Not Seasonally Adjusted)*

AREA	Total Labor Force	Number Employed	Number Unemployed	July-05 Rate (%)	June-05 Rate (%)	July-04 Rate (%)
Barre-Montpelier	25,900	24,850	1,050	4.1	3.8	4.0
Bennington	12,800	12,350	450	3.7	3.4	4.0
Bradford	5,100	4,950	150	2.8	3.0	3.5
Brattleboro	25,500	24,750	850	3.3	3.1	3.3
Burlington-South Burlington	114,100	110,550	3,550	3.1	3.2	2.9
Hartford	19,350	18,950	400	2.0	1.9	2.2
Manchester	12,750	12,350	400	3.0	3.3	3.6
Middlebury	18,300	17,700	600	3.2	3.1	3.3
Morristown-Stowe	20,250	19,700	600	2.9	3.1	3.5
Newport	14,200	13,700	550	3.7	3.8	3.9
Randolph	8,350	7,950	350	4.5	3.6	3.8
Rutland	28,600	27,550	1,050	3.7	4.2	3.7
Springfield	12,100	11,650	450	3.8	3.9	4.1
St. Johnsbury	15,500	15,000	500	3.2	3.3	3.1
Swanton-Enosburg	14,200	13,650	550	3.9	3.8	3.8
Warren-Waitsfield	4,250	4,100	100	2.6	2.6	2.2
Woodstock	3,900	3,800	100	2.7	2.7	2.4
Vermont Total	357,500	345,750	11,750	3.3	3.3	3.3

AREAS FROM ADJOINING STATES INCLUDING VERMONT TOWNS *(Not Seasonally Adjusted)*

Colebrook, NH-VT	3,850	3,700	150	3.9	5.0	4.2
Lebanon, NH-VT	46,400	45,350	1,050	2.2	2.4	1.5
Littleton, NH-VT	15,450	15,000	450	3.0	2.9	2.7
North Adams, MA-VT	17,400	16,550	850	4.8	4.8	5.2

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	Prelim.	Revised	Revised	Changes From:	
	July '05	June '05	July '04	June '05	July '04
Total - All Industries	308.3	308.5	303.4	-0.2	4.9
Private Industries	255.6	256.2	251.2	-0.6	4.4
Construction	18.0	18.0	16.7	0.0	1.3
Manufacturing	37.7	37.6	37.0	0.1	0.7
Retail Trade *	40.3	40.3	40.1	0.0	0.2
Professional & Business Services	21.7	22.0	21.2	-0.3	0.5
Private Ed. Services*	12.4	12.5	12.4	-0.1	0.0
Health Care & Social Assistance*	42.2	42.1	40.7	0.1	1.5
Leisure & Hospitality*	33.6	33.7	33.5	-0.1	0.1
Total Government	52.7	52.3	52.2	0.4	0.5

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

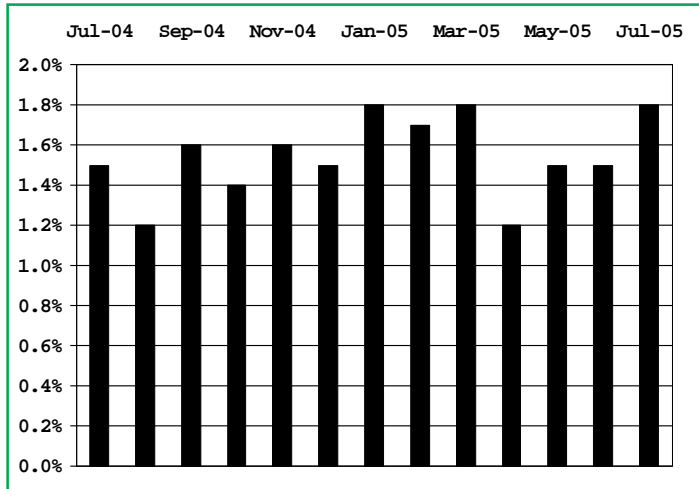
Note: Total - All Industries estimate is seasonally adjusted independently.

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

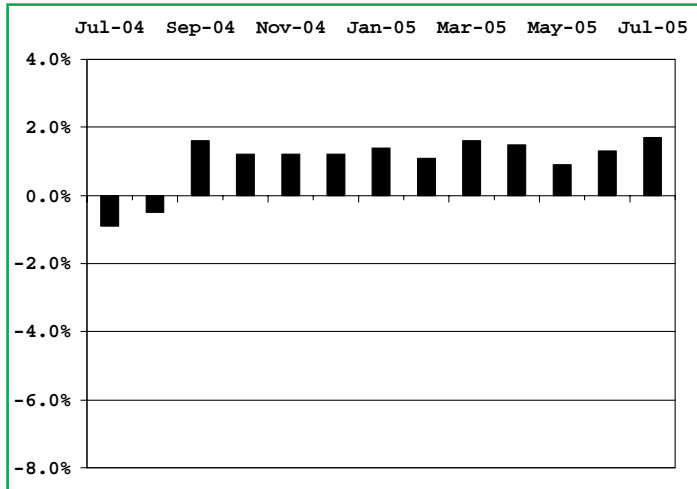
Produced by the Vermont Department of Labor in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

Vermont Annual Job Growth Not Seasonally Adjusted Data

All Industries



Manufacturing



Nonfarm Employment In Vermont *(Not Seasonally Adjusted)*

Compiled by the Vermont Department of Labor in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	Prelim. July '05	Revised June '05	Revised July '04	Changes From:	
				June '05	July '04
TOTAL NONFARM	303,650	309,750	298,400	-6,100	5,250
TOTAL PRIVATE	259,850	257,800	255,200	2,050	4,650
GOODS PRODUCING	58,850	58,200	56,900	650	1,950
MANUFACTURING	37,950	37,850	37,300	100	650
Durable Goods	27,300	27,250	26,600	50	700
Computer & Electrical Equipment Mfg.	9,500	9,450	9,250	50	250
Fabricated Metal Products Mfg.	3,000	3,050	2,800	-50	200
Machinery Mfg.	3,100	3,100	3,000	0	100
Transportation Equipment Mfg.	2,450	2,450	2,450	0	0
Furniture & Related Product Mfg.	2,100	2,100	2,150	0	-50
Non-Durable Goods	10,650	10,600	10,700	50	-50
Food Mfg.	3,900	3,800	3,800	100	100
CONSTRUCTION	19,800	19,250	18,650	550	1,150
NATURAL RESOURCES & MINING	1,100	1,100	950	0	150
SERVICE-PROVIDING	244,800	251,550	241,500	-6,750	3,300
TRADE, TRANSPORTATION AND UTILITIES	59,250	59,200	59,000	50	250
Wholesale Trade	10,250	10,250	10,350	0	-100
Retail Trade	40,550	40,500	40,250	50	300
Food & Beverage Stores	9,550	9,550	9,500	0	50
General Merchandise Store	2,950	2,950	2,950	0	0
Transportation, Warehousing and Utilities	8,450	8,450	8,400	0	50
Utilities	1,750	1,700	1,750	50	0
Transportation & Warehousing	6,700	6,750	6,650	-50	50
INFORMATION	6,200	6,250	6,400	-50	-200
FINANCIAL ACTIVITIES	13,900	13,750	13,550	150	350
Finance & Insurance	10,400	10,350	10,100	50	300
Real Estate, Rental & Leasing	3,500	3,400	3,450	100	50
PROFESSIONAL AND BUSINESS SERVICES	22,250	22,450	21,750	-200	500
Professional, Scientific and Technical	12,850	12,750	12,650	100	200
Administrative, Support and Waste	9,200	9,450	8,800	-250	400
EDUCATIONAL AND HEALTH SERVICES	53,900	53,950	52,350	-50	1,550
Educational Services	11,400	11,700	11,400	-300	0
College, Universities and Professional	6,300	6,100	6,150	200	150
Health Care and Social Assistance	42,500	42,250	40,950	250	1,550
Ambulatory Health Care Services	16,650	16,550	16,050	100	600
Hospitals	10,650	10,600	10,350	50	300
Nursing and Residential Care Facilities	6,850	6,850	6,700	0	150
LEISURE AND HOSPITALITY	35,050	33,650	34,900	1,400	150
Arts, Entertainment and Recreation	4,750	4,350	4,650	400	100
Accommodation and Food Services	30,300	29,300	30,250	1,000	50
Accommodations	10,900	10,000	10,900	900	0
Hotel & Motels	8,750	8,200	8,850	550	-100
Food Services and Drinking Places	19,400	19,300	19,350	100	50
OTHER SERVICES	10,450	10,350	10,350	100	100
GOVERNMENT	43,800	51,950	43,200	-8,150	600
Federal Government	6,350	6,350	6,300	0	50
State Government Education	6,100	6,200	5,950	-100	150
Local Government Education	13,800	22,400	13,700	-8,600	100
Other State Government	9,800	9,800	9,650	0	150
Other Local Government	7,750	7,200	7,600	550	150



Repetitive Stress Injuries in the Work Place

Repetitive stress injuries in the work place are a serious problem and an important issue for employers to be aware of and deal with.

While the OSHA ergonomic standard no longer exists, the problem of work related musculoskeletal disorders (MSD) still exist. Each year some 1.8 millions workers in the United States report work related MSDs and about a third of these are serious enough to result in workers having to take time off from work to recover. This has a significant impact not only on the workforce but also on the workers' compensation premiums paid by individual employers.

Admittedly an ergonomic correction to an employee's workstation can be expensive, however, in a great many cases the cost of making the correction is very small, and the benefit derived from the correction far out weighs the actual cost.

OSHA developed a four-pronged ergonomics strategy to meet its goal of reducing workplace MSDs through a combination of industry-specific and task-specific guidelines, outreach, enforcement, and research.

OSHA has developed ergonomic e-Tools to assist employers of specific occupations with the development and implementation of a safety and health program to address MSDs in the workplace. These occupations include computer operators, grocery warehouse workers and baggage handlers. OSHA has also developed guidelines for the nursing home industry, retail grocery stores and poultry processing. North Carolina and the American Furniture Manufacturers Association worked together to develop guidelines for the furniture manufacturing industry. The e-Tools are available by going to the OSHA website at www.osha.gov and clicking on e-Tools. The Project WorkSAFE consultation staff can distribute copies of the guidelines and the e-Tools to employers who request them. The ergonomic standard can also be used as a non-mandatory guideline for employers to assist them in addressing ergonomic issues in their workplace.

The standard provides a non-mandatory appendix that the employer can use to assist in the reduction of MSDs in the workplace. This is titled "What you need to know about Musculoskeletal Disorders". This appendix gives employees a description of the signs and symptoms of MSDs and what an employee should look for. It defines MDSs and lists some of their causes.

Currently Project WorkSAFE is working with employers to address ergonomic issues in Vermont Workplaces. Employers are seeking their assistance to reduce MSD's in an effort to control their injuries and their Workers' Compensation costs.

Employers wishing to get assistance from Project Work SAFE should call toll free 1-888-SAFEYES.

A copy of the standard is available on the VOSHA website found at www.labor.vermont.gov/sections/wcsafety/vosha/. There are also links to OSHA websites and other government websites such as OSHA Salt Lake City Technical Center and the NIOSH homepage.

VOSHA strongly urges the employers to contact the Safety and Health Consultation Program to seek assistance in reducing repetitive stress injuries in their workplaces. In many cases a simple correction at a workstation can reduce the incidents of MSDs, reduce workers' compensation costs and increase moral and production.

Project WorkSAFE

- **Do you have a small business with a high rate of injuries?**
- **Do you have trouble complying with OSHA regulations?**
- **Do you find it difficult to identify worksite hazards or interpret federal/state safety and health standards?**
- **Do you want to change the way your employees think and act when it comes to health and safety on the job?**
- **Are you concerned that your business cannot afford a professional health and safety consultant?**

WE CAN HELP!

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Project WorkSAFE - (continued from page 6)

If you are a small Vermont business, there are FREE and confidential services available to you - anything from a phone consult to a full health and safety evaluation at your worksite. Just call the Vermont Department of Labor.

We give FREE, NO-PENALTY consultations.

At your request, we will go with you on a tour of your facility, point out problem areas, and help you identify solutions. Our services include safety audits, program development and evaluation, chemical exposure assessments, and noise monitoring.

You can protect your employees.

Learning more about workplace hazards and how to prevent them can help you protect your workers from injury and illness. It may even prevent loss of life at your worksite.

It's good for business.

Effective workplace safety and health practices are good business. The cost of an accident or lost work time can far exceed the cost of prevention.

Email Consultation

You can also get confidential answers to your questions about occupational safety and health compliance easily and efficiently by email. Just visit the Vermont Department of Labor website and fill out the online question form.

For more information on Project WorkSAFE call the Vermont Department of Labor - Safety and Health Consultation at 1-888-SAFE-YES (1-888-723-3937)





DEPARTMENT OF LABOR

P.O. Box 488 • Montpelier, VT 05601-0488

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Announcements

2005 Vermont Employer Outreach Seminars

You are invited to attend any of the one-day Employer Outreach Seminars provided by the Vermont Department of Labor and other state and federal agencies at no cost. This year we will host four seminars throughout the state. All seminars will be held on Wednesdays, from 8:30 am - 4:30 pm on the following dates:

September 14, 2005 - Springfield	September 28, 2005 - Lyndonville
Howard Dean Center	Charles Carter Business Resource Center
307 South Street	St. Johnsbury/Lyndonville Industrial Park, 1713 Industrial Parkway

If you are interested in registering in one of the seminars listed above, please send an e-mail to [kjacob@labor.state.vt.us](mailto:kjacobs@labor.state.vt.us) with the following information:

1. Location you wish to attend
2. Your name
3. Business name and address
4. Telephone and e-mail
5. Number of attendees

* * * CHILD LABOR LAWS * * *

To find out about Vermont's Child Labor Laws, go to:

<http://www.labor.vermont.gov/sections/uiwages/wage/childlabor/>

Equal Opportunity is the Law - The State of Vermont is an Equal Opportunity/Affirmative Action Employer. Applications from women, individuals with disabilities, and people from diverse cultural backgrounds are encouraged. Auxiliary aids and services are available upon request to individuals with disabilities. 711 (TTY/Relay Service) or 802-828-4203 TDD (Vermont Department of Labor).