

*Working Together
for Vermont*

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Commissioner's Message

Patricia Moulton Powden, Commissioner

Health Care Reform, Catamount Health & the Employer Health Care Contribution

In December, the Legislative Committee on Administrative Rules (LCAR) approved the Department of Labor's proposed rules relating to the collection of the employer health care premium contributions for the Catamount Health Fund. The approval allows the department to finalize the administrative requirements necessary to begin collecting the assessment. From my discussions with businesses and reports from staff, I believe the employer contribution is only recently coming to the forefront of many businesses planning. This month I want to talk about the basic requirement of the contribution, but before doing so I would like to briefly put the employer contribution into some context.

The employer contribution is just one part of a number of initiatives in recent legislation designed to improve health care in Vermont. The initiatives support three goals: to increase access to affordable health care coverage, to improve the quality of care, and to contain cost. The employer contribution supports insurance premium cost containment by ensuring that every employer pays something toward the cost of employee coverage. The employer contribution will go into a fund that will assist the uninsured to gain access to health coverage, thereby reducing the cost shift associated with uncompensated care. Reducing the number of people without coverage spreads cost more equitably. If you are interested in knowing more about all of the health care initiatives, you can find the five year strategic plan on the Agency of Administration's website, www.adm.state.vt.us.

Here are the basics of the employer premium contribution

- **Who has to pay the health care contribution?** Beginning April 2007, any business with nine or more full time equivalent workers for whom the business is not paying a portion of health care coverage must pay the employer premium contribution. As of July 2008 businesses with 7 or more full time equivalent uncovered workers must pay, and as of July 2009 businesses with 5 or more full time equivalent uncovered workers will pay the assessment.
- **What is a full time equivalent?** A full time equivalent equals 520 hours of work during a calendar quarter. As an example, two part time workers who each work 20 hours a week or 260 hours in the quarter would equal one full time equivalent. An individual who works more than 520 hours during the quarter is counted as one full time equivalent.

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The Edge

Choosing Courageous Changes

In the past few weeks, three reports have been released focusing on changing demographics and the economy, our impending shortage of skilled workers, and systemic changes necessary to avert a national economic crisis. "*Having the Courage to Change*" was produced by the Vermont Business Roundtable; "*Tough Choices or Tough Times*" is the report by the new Commission on the Skills of the American Workforce, and is available in book form or at: <http://www.skillscommission.org/executive.htm>; and "*The Next Generation Commission: Linking Learning to Earning in Vermont*" can be found at: http://www.leg.state.vt.us/reports/06NextGeneration/Next_Gen_Report.pdf

Although these reports came out of different groups with different charges, there are remarkable similarities to both their findings and their recommendations.

There is no doubt that both our country and our state will not have a competitive workforce unless we make enormous changes to our public education system. According to a recent Vermont report on school readiness, only half of Vermont kindergarteners are 'ready for school. High quality, universal early childhood education is one of the ten recommendations set out in *Tough Choices or Tough Times*, as well. This is not a new concept. For many years, high quality, universal early childhood

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Commissioner's Message –

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- **Which workers must be included in the full time equivalent calculation?** Any employee age 18 and over and reported to the Department of Labor for unemployment insurance must be included in the calculation if the employer is not contributing to the employee's health care coverage. The one exception is an employee who refuses to participate in the employer's coverage because (s) he already has coverage from some other source.
- **What is health care coverage?** Health care coverage is an employer sponsored plan that assists with the cost of physician and hospital services.
- **How much is the contribution?** The contribution is \$91.25 per quarter for each full time equivalent.
- **How will I pay the health care contribution?** The health care premium contribution will be included with the business's unemployment taxes. The first payment is due July 31, 2007.

What I have discussed in this article is very basic. More information, including the final rules and an employer health care contribution worksheet, can be found on the Department of Labor's website, www.labor.vermont.gov. In addition, the department will be scheduling employer seminars which will be held in various locations around the state.



Contact VDOL

If your address has changed or to discontinue your subscription, please email: sredpath@labor.state.vt.us

The Edge - (continued from front page)

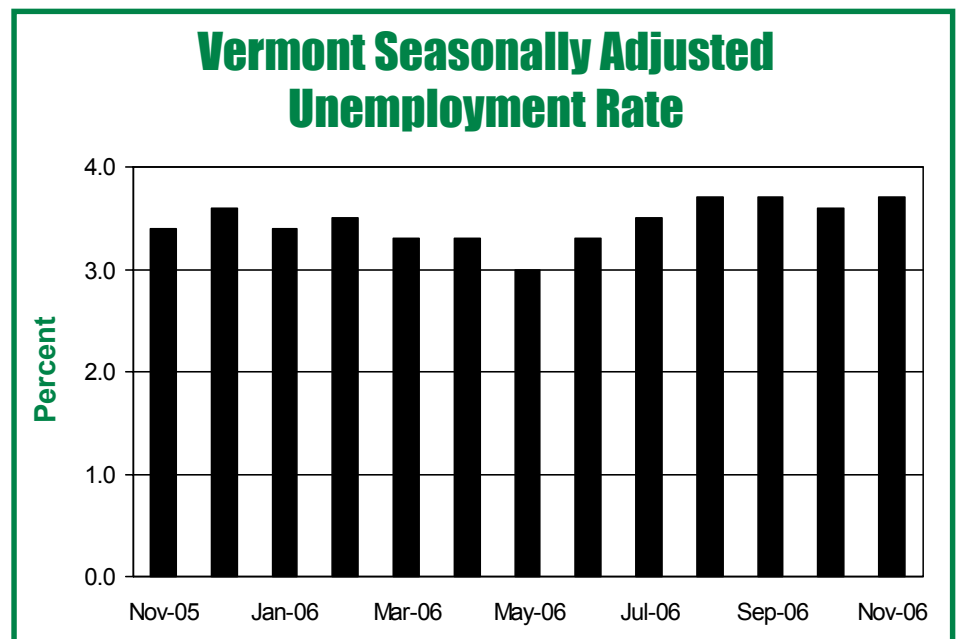
education has been accepted as an important investment in our future, however, the country has never committed the funds necessary to provide it. Educational funding is a challenge for both Vermont and the rest of the nation as we face economic competition on a global scale.

For most of the 20th century, the United States has had the best educated workforce in the world. That, sadly, is no longer true. Thirty years ago, our country claimed 30 percent of the world's population of college students. Today, that proportion is 14 percent and falling. In Vermont, 27 percent of the 2005 high school graduating class did not plan to pursue postsecondary education or training of any sort within six months of graduation. These young people will most likely need additional training or face periods of unemployment in the future.

In addition to more education, our international counterparts are also getting a better education. American students and young adults place anywhere from the middle to the bottom of the pack in all three continuing comparative studies of achievement in mathematics, science, and general literacy in the advanced industrial nations. (*Tough Choices or Tough Times*)

We are well aware of how the global economy is evolving - Thomas Friedman's book, **The World is Flat** pretty much covers the subject. But, every day, more and more work that people do is digitized, and can be transmitted anywhere. Employers now have access to workers who are better skilled and willing to work at a lower cost than Americans. Creative work must replace routine work in the United States for our workers to compete. And these creative workers must have a very high level of preparation in reading, writing, speaking, mathematics, science, literature, history and the arts. They must be comfortable with ideas and abstractions, be good at analysis and synthesis, be able to work well as a team, learn quickly and have the flexibility to adapt to the frequent changes in the economy that will come faster and be more dramatic as the century unfolds.

We will continue to look at recommendations from these very important and bold reports in future newsletters. The changes necessary will not be easy nor will they happen overnight. But without them Vermont and the country will be left behind.



Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	Nov. '06	Oct. '06	Nov. '05	Changes from:	
				Oct. '06	Nov. '05
TOTAL LABOR FORCE¹	366,500	368,000	358,200	-1,500	8,300
EMPLOYED	352,800	354,800	346,000	-2,000	6,800
UNEMPLOYED	13,700	13,100	12,200	600	1,500
RATE (%)	3.7	3.6	3.4	0.1	0.3

¹Includes proprietors, professionals, and unpaid family workers.

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

AREA	Total Labor Force	Number Employed	Number Unemployed	Nov-06 Rate (%)	Oct-06 Rate (%)	Nov-05 Rate (%)
Barre-Montpelier	30,000	28,900	1,100	3.7	3.1	3.4
Bennington	12,700	12,250	450	3.6	3.3	3.5
Bradford	5,300	5,100	200	3.5	3.0	3.1
Brattleboro	24,500	23,350	950	4.0	3.3	3.3
Burlington-South Burlington	117,250	113,500	3,750	3.2	2.9	3.2
Hartford	19,450	19,050	400	2.1	1.9	1.9
Manchester	12,300	11,850	500	4.0	2.8	3.8
Middlebury	18,100	17,500	600	3.2	2.7	3.2
Morristown-Stowe	20,600	19,800	800	4.0	2.8	3.4
Newport	14,700	13,950	750	5.1	3.7	4.6
Randolph	8,400	8,050	350	4.0	3.3	3.2
Rutland	30,000	28,900	1,100	3.7	3.2	3.4
Springfield	12,050	11,550	500	4.2	3.5	4.2
St. Johnsbury	15,050	14,500	550	3.7	3.0	3.5
Swanton-Enosburg	14,850	14,100	750	5.1	3.8	4.4
Warren-Waitsfield	4,300	4,150	100	2.9	2.4	2.6
Woodstock	3,650	3,550	100	2.9	2.0	2.2
Vermont Total	365,300	352,200	13,050	3.6	3.0	3.4

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

Colebrook, NH-VT	3,600	3,450	200	4.9	2.8	5.0
Lebanon, NH-VT	46,000	45,000	1,050	2.2	2.1	2.3
Littleton, NH-VT	15,300	14,800	500	3.2	2.5	3.4
North Adams, MA-VT	17,000	16,100	900	5.2	4.5	5.0

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:	
	Nov. '06	Oct. '06	Nov. '05	Oct. '06	Nov. '05
Total - All Industries	308.7	309.0	306.4	-0.3	2.3
Private Industries	255.3	255.5	253.3	-0.2	2.0
Construction	17.7	17.9	17.0	-0.2	0.7
Manufacturing	36.4	36.4	36.6	0.0	-0.2
Trade, Transportation & Utilities	60.1	59.8	60.0	0.3	0.1
Retail Trade *	40.8	40.8	40.7	0.0	0.1
Financial Activities	13.1	13.1	13.2	0.0	-0.1
Professional & Business Services	22.5	22.4	21.9	0.1	0.6
Education & Health Care	55.2	55.1	54.6	0.1	0.6
Private Ed. Services*	12.5	12.4	12.5	0.1	0.0
Health Care & Social Assistance*	43.0	43.0	42.3	0.0	0.7
Leisure & Hospitality	32.8	33.0	32.5	-0.2	0.3
Other Services	10.1	10.1	10.0	0.0	0.1
Total Government	53.4	53.5	53.1	-0.1	0.3

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

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

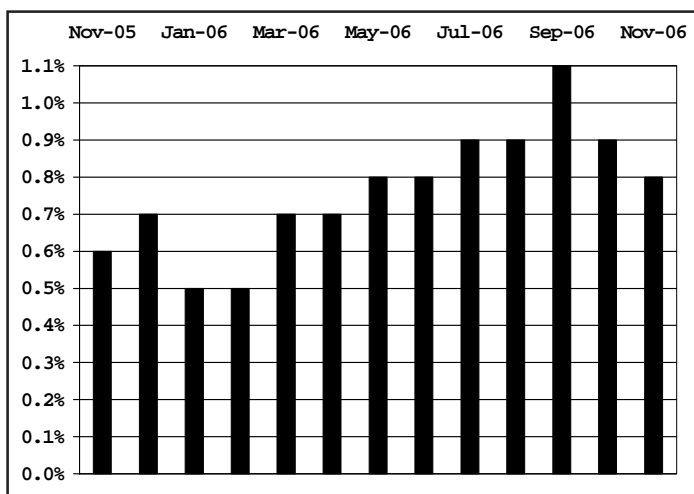
All seasonal adjustment performed with X12-ARIMA. Seasonal factors available from VDOL/LMI on request.

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

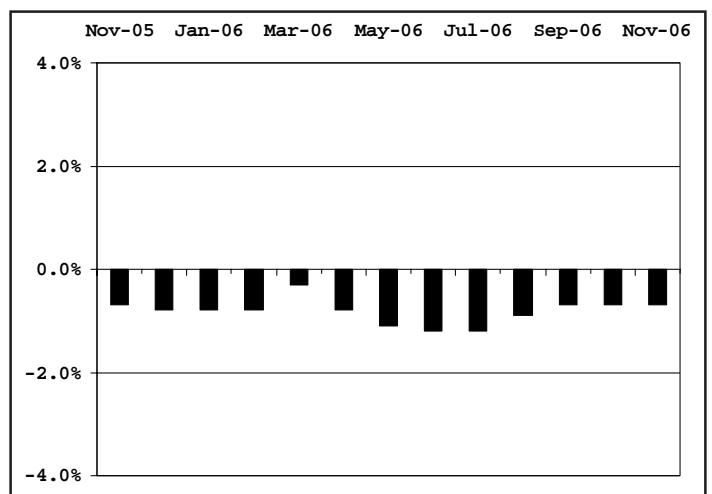
Vermont Annual Job Growth

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.	Revised	Revised	Changes From:	
	Nov. '06	Oct. '06	Nov. '05	Oct. '06	Nov. '05
TOTAL NONFARM	310,900	313,050	308,400	-2,150	2,500
TOTAL PRIVATE	254,450	256,950	252,250	-2,500	2,200
GOODS PRODUCING	55,700	56,500	55,350	-800	350
MANUFACTURING	36,650	36,700	36,900	-50	-250
Durable Goods	26,450	26,400	26,500	50	-50
Computer & Electrical Equipment Mfg.	9,350	9,350	9,250	0	100
Fabricated Metal Products Mfg.	3,150	3,150	2,950	0	200
Machinery Mfg.	3,000	3,050	2,950	-50	50
Transportation Equipment Mfg.	2,350	2,350	2,400	0	-50
Furniture & Related Product Mfg.	1,900	1,900	2,050	0	-150
Non-Durable Goods	10,200	10,300	10,400	-100	-200
Food Mfg.	3,750	3,800	3,950	-50	-200
CONSTRUCTION	18,200	18,950	17,500	-750	700
NATURAL RESOURCES & MINING	850	850	950	0	-100
SERVICE-PROVIDING	255,200	256,550	253,050	-1,350	2,150
TRADE, TRANSPORTATION AND UTILITIES	61,250	60,300	60,950	950	300
Wholesale Trade	10,350	10,300	10,200	50	150
Retail Trade	41,950	41,000	41,800	950	150
Food & Beverage Stores	9,700	9,650	9,600	50	100
General Merchandise Store	2,800	2,700	2,950	100	-150
Transportation, Warehousing and Utilities	8,950	9,000	8,950	-50	0
Utilities	1,700	1,700	1,700	0	0
Transportation & Warehousing	7,250	7,300	7,250	-50	0
INFORMATION	6,350	6,350	6,250	0	100
FINANCIAL ACTIVITIES	13,150	13,150	13,150	0	0
Finance & Insurance	9,950	9,900	9,950	50	0
Real Estate, Rental & Leasing	3,200	3,250	3,200	-50	0
PROFESSIONAL AND BUSINESS SERVICES	22,550	22,750	21,950	-200	600
Professional, Scientific and Technical	13,150	13,100	12,850	50	300
Administrative, Support and Waste	9,100	9,300	8,850	-200	250
EDUCATIONAL AND HEALTH SERVICES	55,900	55,650	55,300	250	600
Educational Services	12,900	12,750	13,000	150	-100
College, Universities and Professional	7,100	7,050	7,150	50	-50
Health Care and Social Assistance	43,000	42,900	42,300	100	700
Ambulatory Health Care Services	15,800	15,750	15,650	50	150
Hospitals	10,900	10,900	10,850	0	50
Nursing and Residential Care Facilities	6,800	6,800	6,750	0	50
LEISURE AND HOSPITALITY	29,550	32,100	29,400	-2,550	150
Arts, Entertainment and Recreation	3,050	3,900	2,950	-850	100
Accommodation and Food Services	26,500	28,200	26,450	-1,700	50
Accommodations	8,800	9,550	8,850	-750	-50
Hotel & Motels	8,000	8,500	8,050	-500	-50
Food Services and Drinking Places	17,700	18,650	17,600	-950	100
OTHER SERVICES	10,000	10,150	9,900	-150	100
GOVERNMENT	56,450	56,100	56,150	350	300
Federal Government	6,000	6,000	6,050	0	-50
State Government Education	9,450	9,350	9,350	100	100
Local Government Education	24,350	24,000	24,250	350	100
Other State Government	9,350	9,500	9,200	-150	150
Other Local Government	7,300	7,250	7,300	50	0



Worker Health and Healthier Living - *Bridging The Gap*

This is not a new topic or theory among health professionals. Yet there is a disconnect within prevention communities between the interests of risk prevention in and out of the workplace. It has been studied and reviewed by the National Institute for Occupational Safety and Health (NIOSH) including symposiums held in 2004. The Canadian Center for Occupational Health and Safety, www.ccohs.ca has a page under "Health Promotion, Wellness/ Psychosocial" with a variety of information on specific topics.

Why should we as a community be interested and concerned about the current state of health and how that may affect work place injuries and illnesses? Poor health and injury, work related or non-work related, impact income, quality of life, and family. An easy way to describe a complex relation between life style and work place risk can be based on a simple example: an athlete in this case competing in a ski race. If this individual smoked, did not exercise, consumed caffeine, was dehydrated, and had a poor diet, the outcome would typically result in a poor finish and or injury. For many employees, physical strength is needed to perform a job task. The question is: why do we as a community not take care of our bodies like competing athletes so performance at work would result in less injury and illness?

The data for obesity shows an increase in the United States. The National Center for Health Statistics

show that 60 percent of U.S. adults over the age of 20 are obese. The implications for increased risk to certain diseases like hypertension, type 2 diabetes, heart disease, osteoarthritis and others are issues of concern. A work related issue is back injury. Using the NIOSH lifting equation for an employee handling boxes etc., the chance of injury is greatly affected by the distance of the load from the spine. The further the load is from the spine, the greater chance of a back injury. Calculating the spinal load of an individual with a high body mass index (BMI) compared to an individual with a low BMI speaks volumes for the difference in risk. Employees with osteoarthritis may experience complications from repetitive tasks and fine motor skill required tasks.

Smoking also poses significant risk for the employee. The risk increase in lung damage and cancer has been well documented. The occupational health risk of industrial chemical exposures to smokers developing a higher rate of workplace illnesses has also been well documented but not discussed as much in the mainstream media. The documented exposures showing an increased rate of risk include exposure to asbestos and silica. Rates of cancer and silicosis in an exposed worker are typically much higher for individuals that smoke. This is due to a variety of reasons. One of them is the impaired function of the lungs' physical and immunologic ability to remove the hazardous particulate. Smoking also increases the amount of carboxyhemoglobin (COHb) in the blood. Employees who have exposure to carbon monoxide and solvents like methylene chloride will see a higher burden of COHb which may result in a higher pulse rate and stress the heart.

Staying hydrated at work is a very overlooked risk. Not keeping your body hydrated puts you at greater risk for hypothermia and health related illness. A drop in 1 to 2% of body weight from dehydration can cause weakness, dizziness and fatigue. The body utilizes an average of 10 cups of water per day. Functions of water in the body include regulating body temperature, lubricating joints, lessening the burden on the liver and kidneys by flushing out waste products, carrying nutrients and oxygen to the cells, and moistening tissues in the nose and eyes. Dehydration can also place you at risk for muscular skeletal disorders and bacterial and viral illnesses.

Worker Health and Healthier Living - Bridging the Gap - *continued*

Movement is critical. Keeping an active life style and being active at work before stressful exertion is key. Can we really ask ourselves to drink large amounts of coffee (diuretics), drive in our automobile for 30 minutes or more, then lift a item, move a patient, climb scaffolding, unload a truck etc., without warming up first? On the cellular level, during that sit time, muscles are not being used, rich oxygenated blood is not entering the tissue and metabolic waste is building up in these tissues. Movement reverses this and gets your body in shape to work.

Work place exposures, stressors and applicable regulations covering risk are found under the Occupational Safety and Health Administration. Often companies are happy to meet these regulations to provide a safe and healthy work environment to staff. One must remember that these regulations are minimal standards. There is room to be more protective and encourage a healthier work place. Case in point: chemical standards as Benzene, Methylene Chloride, Formaldehyde, to name a few, have gone through OSHA rule making to lower exposure levels to reduce risk of illness. Up to the point of rule making many employers were satisfied with meeting the previous OSHA exposure limits. Does this mean the previous exposed staff were safe at those levels until the new rule took place? No.

It should be in everybody's best interest to reduce exposures to industrial solvents to the OSHA exposure limits and then, if feasible, go lower. The NIOSH recommended exposure levels (RELS) are used by some establishments as target

objectives. I use an example quite often of employee exposure to organic solvents that target the central nervous system (CNS). The symptoms resulting from these exposures are dizziness and confusion. In many cases, these symptoms occur when the employee is not overexposed to according to OSHA exposure limits. My question for follow up is "Do you really want an employee who is chemically impaired to operate equipment in the facility?"

Employers should review the employee safety and health program with these issues in mind and consider developing a wellness program to encourage healthy life styles and a comprehensive approach to work place risk reduction. In doing so, we may see a reduction in the trillion and a half dollar a year costs associated with chronic diseases and disabling injuries.

**If you are interested in seeking information on steps to a healthier workforce go to
www.niosh.gov or
www.osha.gov or www.ccohs.ca or
www.mayoclinic.com**

VDOL Announces Grants

\$375,000 in grants will be distributed through the Workforce Education and Training Fund, which works to improve the quality of Vermont's work force. Applications will be accepted until the funds are exhausted.

The grants, which are given in categories above and below \$10,000, give Vermont businesses the opportunity to address critical need for skilled workers, in addition to providing Vermonters job security and increased earning potential.

Information, application material and details:

www.labor.vermont.gov

**Additional help: Contact Lori Camp at
802-828-4301 or lcamp@labor.state.vt.us**



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Announcements

Labor Market Publications

In order to insure the widest possible distribution and efficient use of taxpayer dollars, the Economic and Labor Market Information Section of the Vermont Department of Labor is moving to electronic distribution of our current publications. Our publications are available in PDF format on our website. You will be able to access them at: www.vtlni.info. Click ELMI Publications and select the publications(s) you wish to view or download.

We would be pleased to notify you by email of our recently released publications. If you wish to be notified by email when a new publication becomes available, please contact us at lmi@labor.state.vt.us or at 802-828-4202.

Note: For the present time, this newsletter will continue to be mailed as well as published in electronic form on our website.

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).