

VERMONT EMPLOYMENT GROWTH INCENTIVE VEGI TRAINING ENHANCEMENT (VETI)

If an applicant to the VEGI program expects to incur substantial training costs for new employees, the VEGI incentive payout can be enhanced to help with the training costs. This enhancement allows an increase in grant funding available through the [Vermont Training Program](#) which is then reimbursed from the earned VEGI incentive, resulting in more cash available for training costs when new employees are being trained.

Statutory Citation: 32 VSA §5930h:

(h) Enhanced training incentive. Notwithstanding any provision of law to the contrary, the Council may award an enhanced training incentive as follows:

(1) A business whose incentive application is approved may elect to claim an enhanced training incentive at any time during the award period by:

(A) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program or a Workforce Education and Training Fund program; and

(B) applying for a grant from the Vermont Training Program or the Workforce Education and Training Fund to perform training for new employees who hold qualifying jobs.

(2) If a business is awarded a grant for training pursuant to subdivision (1) of this subsection, the Agency of Commerce and Community Development or the Department of Labor, as applicable, shall disburse grant funds for on-the-job training of not more than 75 percent of wages for each employee in training, or not more than 75 percent of trainer expense, and the business shall be responsible for the remaining 25 percent of the applicable training costs.

(3) If the business successfully completes its training and meets or exceeds its payroll target and either its jobs target or capital investment target, the Council shall approve the enhanced training incentive and notify the Department of Taxes.

(4) Upon notification by the Council, the Department of Taxes:

(A) shall disburse to the business a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h);

(B) shall disburse to the Agency of Commerce and Community Development or the Department of Labor, as applicable, a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h); and

(C) shall disburse the remaining value of the incentive award in annual installments pursuant to subdivision (c)(2) of this section.

(5) (A) If, during the utilization period for the incentive paid pursuant to this subsection (h), the business fails to maintain the qualifying jobs or qualifying payroll established in the award year, or does not reestablish qualifying jobs or qualifying payroll to 100 percent of the award year level, the Department of Taxes shall recapture the enhanced incentive pursuant to subsection (d) of this section.

(B) The amount of recapture shall equal the sum of the installments that the Department would have disbursed if it had paid the incentive in five-year installments pursuant to subdivision (c)(2) of this section for the years during the utilization period that the qualifying jobs or qualifying payroll were not maintained.

Procedure:

- If a VEGI Pre-Application indicates that an applicant will have substantial training requirements, VEPC staff will recommend utilization of the VEGI Enhanced Training Incentive (VETI) when referring the applicant to the [Vermont Training Program](#) (VTP). A sample VEGI payout including enhanced training dollars will be included with the VEGI Pre-Application Estimate.
- If the applicant is interested in the VETI, the applicant will be advised to indicate interest on the VEGI Pre-Application and Initial Application form and the Initial Application incentive will be calculated using both the normal and VETI payout schedules (and any other eligible enhancements such as Green or Sub 5).
- Once an Initial Application is approved, the applicant is required to file a training plan with the VTP for review and approval. The approved plan must then be included as an upload to the Final VEGI Application, “Attachment” form.
- The approved VTP training plan will indicate the level of grant available at up to 75% of training costs (instead of the normal 50%).
- Only new jobs are eligible for the VETI enhancement. Applicants may also apply to the VTP for a normal grant at 50% of costs for training costs not eligible under VETI (cross training, upgrade training).
- As training is concluded and invoices are provided to the VTP, the VTP will reimburse the company at a rate of up to 75% of training costs (wages paid during training) for all eligible employees (new employees only) as agreed to in the VTP contract.
- By March 15 each year, the VTP will provide VEPC with documentation of the training that occurred including:
 - Company name
 - Employee name and identifying number of those trained
 - Total amount of training costs
 - Amount paid by VTP
 - Amount paid by company
 - Amount owed to VTP from VEGI
- VEPC staff will share the documentation with Tax Department.
- If the VEGI [annual performance requirements](#) are met, Tax will disburse the VEGI incentive payment for the target year as follows:
 - 25% of training costs paid by VTP in target year, reimbursed to VTP;
 - 25% of training costs paid by the company in target year, to the company;
 - First installment of normal VEGI payout, to the company, with the remaining incentive earned divided into four installments paid out to the company in the four subsequent years, if performance requirements are maintained.
- If the VEGI performance requirements are not met, VEPC staff will inform VTP.

ILLUSTRATION OF ENHANCED TRAINING INCENTIVE

SAMPLE PROJECT ELIGIBLE FOR VEGI AND VTP:

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
QUALIFYING PAYROLL	\$655,200	\$1,171,040	\$1,466,400	\$1,734,720	\$0	\$5,027,360
QUALIFYING JOBS	27	29	35	40		131
QUALIFYING CAPEX	\$5,970,000	\$5,210,000	\$2,370,000	\$2,640,000	\$0	\$16,190,000

RESULTING VEGI INCENTIVE (NORMAL)

Year	Max. Inc Amount	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Totals
1	\$196,167		\$22,886	\$39,233	\$39,233	\$39,233	\$39,233				\$179,820
2	\$350,609			\$40,904	\$70,122	\$70,122	\$70,122	\$70,122			\$321,392
3	\$439,040				\$29,269	\$87,808	\$87,808	\$87,808	\$87,808		\$380,501
4	\$519,375					\$8,656	\$103,875	\$103,875	\$103,875	\$103,875	\$424,156
5	0						\$0	\$0	\$0	\$0	\$0
Total	\$1,505,192										
Annual Sum of Incentives:		\$0	\$22,886	\$80,137	\$138,624	\$205,819	\$301,038	\$261,805	\$191,683	\$103,875	
Cumulative Total		\$0	\$22,886	\$103,023	\$241,648	\$447,467	\$748,505	\$1,010,310	\$1,201,993	\$1,305,868	\$1,305,868

RESULTING VTP GRANT TO COMPANY (NORMAL AT 50% OF TRAINING COSTS)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
To Company from VTP	\$67,500	\$0	\$0	\$100,000	\$0	\$167,500

TOTAL INCENTIVES AND VTP GRANT TO COMPANY

\$1,473,368

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Year	Max. Inc Amount	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Totals
1	\$196,167		\$56,636	\$22,358	\$22,358	\$22,358	\$22,358				\$146,068
2	\$350,609			\$40,904	\$70,122	\$70,122	\$70,122	\$70,122			\$321,392
3	\$439,040				\$29,269	\$87,808	\$87,808	\$87,808	\$87,808		\$380,501
4	\$519,375					\$58,656	\$78,875	\$78,875	\$78,875	\$78,875	\$374,156
5	\$0						\$0	\$0	\$0	\$0	\$0
Total	\$1,505,192										
Annual Sum of Incentives:		\$0	\$22,886	\$80,137	\$138,624	\$205,819	\$301,038	\$261,805	\$191,683	\$103,875	
Cumulative Total		\$0	\$22,886	\$103,023	\$241,648	\$447,467	\$748,505	\$1,010,310	\$1,201,993	\$1,305,868	\$1,222,117

Note: Company and VTP share are paid from Incentive when first installment is paid, but then remaining payments are reduced by that amount.

RESULTING ENHANCED VTP Grant (at 75% of training costs)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
To Company from VTP	\$101,250	\$0	\$0	\$150,000	\$0	\$251,250
To VTP from VEGI Incentive Payments		\$33,750			\$50,000	\$83,750

TOTAL INCENTIVES AND VTP GRANT TO COMPANY

\$1,473,367