

September 17, 2020

Chair Marcotte

House Commerce Committee

115 State Street

Montpelier, VT 05633

Dear Chair Marcotte,

On behalf of Working Vermont, the coalition of Vermont's labor unions, we write after following your Committee's final deliberations about the unemployment insurance trust fund's numbers as they pertain to your proposal to limit the contribution levels to Tier 3– as opposed to allowing it to move to Tier 5, as would have been the case if no action were taken. By taking the action your Committee is considering, even with an adjustment of the taxable wage rate, by my calculation, there will be a net benefit of some \$25 million to employers with no additional monetary benefits to unemployed Vermonters. We think a portion of the savings should go to working Vermonters.

Working Vermont shares your concern about supporting Vermont's employers. Likewise, Working Vermont appreciates the specific provisions up for consideration in the legislation related to unemployed Vermonters, but we are concerned that the legislation tips too far in the direction of employers, thereby upsetting the balance created in the grand UI bargain of 2010.

This is particularly concerning given that the House budget failed to include the Administration's request for an additional \$20 million to provide supplemental UI benefits to claimants during this difficult time. This is notable given that the CRF dollars flowing to employers significantly dwarfs any direct assistance to Vermont employees and beneficiaries.

I hope that as you consider this legislation you would consider "sharing the gain" with unemployed Vermonters as their struggles are equally as valid as are the struggles of Vermont's employers. I know you and your Committee does its best to strike a balance between employers and employees, and I thank you for your consideration of this request.

Sincerely,

David Mickenberg

On Behalf of Working Vermont