

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No. 62
3 entitled “An act relating to creating incentives for new remote and relocation
4 workers” respectfully reports that it has considered the same and recommends
5 that the House propose to the Senate that the report of the Committee on
6 Commerce and Economic Development be amended as follows:

7 First: By striking out Sec. 2 in its entirety and inserting in lieu thereof a
8 new Sec. 2 to read:

9 Sec. 2. NEW RELOCATING EMPLOYEE INCENTIVES

10 (a) The Agency of Commerce and Community Development shall design
11 and implement a program to award incentive grants to relocating employees as
12 provided in this section and subject to the policies and procedures the Agency
13 adopts to implement the program.

14 (b) A relocating employee may be eligible for a grant under the program
15 for qualifying expenses, subject to the following:

16 (1) A base grant shall not exceed \$5,000.00.

17 (2) The Agency may award an enhanced grant, which shall not exceed
18 \$7,500.00, for a relocating employee who becomes a resident in a labor market
19 area in this State in which:

20 (A) the average annual unemployment rate in the labor market area
21 exceeds the average annual unemployment rate in the State; or

1 (B) the average annual wage in the State exceeds the annual average
2 wage in the labor market area.

3 (c) The Agency shall:

4 (1) adopt procedures for implementing the program, which shall include
5 a simple certification process to certify relocating employees and qualifying
6 expenses;

7 (2) promote awareness of the program, including through coordination
8 with relevant trade groups and by integration into the Agency’s economic
9 development marketing campaigns;

10 (3) award grants to relocating employees on a first-come, first-served
11 basis beginning on July 1, 2021, subject to available funding; and

12 (4) adopt measurable goals, performance measures, and an audit strategy
13 to assess the utilization and performance of the program.

14 (d) On or before January 15, 2022, the Agency shall submit a report to the
15 House Committee on Commerce and Economic Development and the Senate
16 Committee on Economic Development, Housing and General Affairs
17 concerning the implementation of this section, including:

18 (1) a description of the policies and procedures adopted to implement
19 the program;

20 (2) the promotion and marketing of the program; and

1 (3) an analysis of the utilization and performance of the program,
2 including the projected revenue impacts and other qualitative and quantitative
3 returns on investment in the program based on available data and modeling.

4 (e) As used in this section:

5 (1) “Qualifying expenses” means the actual costs a relocating employee
6 incurs for relocation expenses, which may include moving costs, closing costs
7 for a primary residence, rental security deposit, one month’s rent payment, and
8 other relocation expenses established in Agency guidelines.

9 (2) “Relocating employee” means an individual who on or after July 1,
10 2021 meets the following criteria:

11 (A) The individual becomes a full-time resident of this State.

12 (B) The individual:

13 (i) becomes a full-time employee at a Vermont location of a for-
14 profit or nonprofit business organization domiciled or authorized to do
15 business in this State, or of a State, municipal, or other public sector employer;

16 and

17 (ii) the employer attests to the Agency that, after reasonable time
18 and effort, the employer has been unable to fill the employee’s position from
19 among Vermont applicants.

20 (C) The individual receives gross salary or wages that equal or
21 exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

1 (D) The individual is employed in one of the “Occupations with the
2 Most Openings” identified by the Vermont Department of Labor in its “Short
3 Term Employment Projections 2020-2022.”

4 Second: By striking out Sec. 14, unemployment insurance; trust fund;
5 benefits; detection and prevention of fraud and overpayments; reimbursable
6 employers; consultant; report, in its entirety and inserting in lieu thereof Secs.
7 14 and 14a to read as follows:

8 Sec. 14. UNEMPLOYMENT INSURANCE; DETECTION AND
9 PREVENTION OF FRAUD AND OVERPAYMENTS;
10 CLAIM PROCESSING; CONSULTANT; REPORT

11 (a) On or before July 15, 2021, the State Auditor, in consultation with the
12 Joint Fiscal Office, shall contract with an independent consulting entity with
13 expertise in the field of unemployment insurance to evaluate certain aspects of
14 Vermont’s unemployment insurance system in comparison with the
15 unemployment insurance systems of other states and in consideration of the
16 needs of Vermont claimants, employees, and employers, as well as the
17 preparation for the modernization of the Department’s unemployment
18 insurance information technology systems during the next several years. The
19 independent consulting entity shall specifically examine:

20 (1) the Department of Labor’s existing practices and procedures for
21 detecting and preventing unemployment insurance fraud;

1 (2) instances in which it may be appropriate to refer unemployment
2 insurance fraud for criminal prosecution, including a reasonable minimum
3 threshold for such a referral;

4 (3) potential measures to eliminate or minimize claim processing delays
5 that result from fraud prevention measures; and

6 (4) the Department of Labor’s existing practices and procedures for
7 preventing, reducing, and collecting overpayments of unemployment insurance
8 benefits.

9 (b) In performing the evaluation required pursuant to subsection (a) of this
10 section, the independent consulting entity shall do the following:

11 (1) specifically identify:

12 (A) best practices and high performing aspects of other states’
13 unemployment insurance systems;

14 (B) shortcomings, challenges, and opportunities for improvement in
15 Vermont’s unemployment insurance system;

16 (C) potential changes and improvements to the Vermont Department
17 of Labor’s staffing, resources, information technology, training, funding,
18 communications, practices, and procedures that are necessary to address the
19 shortcomings, challenges, and opportunities for improvement identified
20 pursuant to subdivision (B) of this subdivision (b)(1);

1 (D) potential statutory changes necessary to address the
2 shortcomings, challenges, and opportunities for improvement identified
3 pursuant to subdivision (B) of this subdivision (b)(1); and

4 (E) the anticipated cost of implementing the changes and
5 improvements identified pursuant to subdivisions (C) and (D) of this
6 subdivision (b)(1) and any ongoing costs associated with such changes and
7 improvements; and

8 (2) consult with informed parties and relevant entities, including the
9 Department of Labor, the Attorney General, the Agency of Digital Services,
10 the Department of Human Resources, the Department of State’s Attorneys and
11 Sheriffs, representatives of employers, representatives of employees, and
12 representatives of claimants.

13 (c) The Department of Labor shall cooperate with the independent
14 consulting entity and shall, to the maximum extent permitted by law, provide
15 the independent consulting entity with prompt access to all information
16 requested.

17 (d)(1) On or before December 15, 2021, the independent consulting entity
18 shall submit a written report detailing the findings and recommendations to the
19 State Auditor, the Senate Committees on Appropriations, on Economic
20 Development, Housing and General Affairs, and on Finance, and the House

1 Committees on Appropriations, on Commerce and Economic Development,
2 and on Ways and Means.

3 (2) The independent consulting entity shall omit from the report
4 information regarding techniques, procedures, and guidelines for
5 unemployment insurance fraud investigations or prosecution if the disclosure
6 of that information could reasonably be expected to risk circumvention of the
7 law.

8 (e) As used in this section:

9 (1) “Overpayment of unemployment insurance benefits” includes
10 overpayments due to a mistake on the part of a claimant or the Department, a
11 claimant’s unintentional misrepresentation or nondisclosure of a material fact,
12 or a claimant’s intentional misrepresentation or nondisclosure of a material
13 fact.

14 (2) “Unemployment insurance fraud” means the intentional
15 misrepresentation or knowing nondisclosure of a material fact by a claimant or
16 any other entity for purposes of obtaining unemployment insurance benefits.

17 Sec. 14a. UNEMPLOYMENT INSURANCE; TRUST FUND; BENEFITS;

18 PENALTIES; REIMBURSABLE EMPLOYERS; STUDY

19 COMMITTEE; REPORT

20 (a) Creation. There is created the Unemployment Insurance Study
21 Committee to examine the solvency of Vermont’s Unemployment Insurance

1 Trust Fund, its benefit structure, potential grants of authority for the
2 Commissioner of Labor to reduce or waive certain penalties, and potential
3 measures to mitigate the liability of reimbursable employers for some benefit
4 charges.

5 (b) Membership. The Committee shall be composed of the following four
6 members:

7 (1) one current member of the House Committee on Commerce and
8 Economic Development, who shall be appointed by the Speaker of the House;

9 (2) one current member of the House Committee on Ways and Means,
10 who shall be appointed by the Speaker of the House;

11 (3) one current member of the Senate Committee on Economic
12 Development, Housing and General Affairs, who shall be appointed by the
13 Committee on Committees; and

14 (4) one current member of the Senate Committee on Finance, who shall
15 be appointed by the Committee on Committees.

16 (c) Powers and duties.

17 (1) The Committee shall study the following issues:

18 (A) the solvency of Vermont's Unemployment Insurance Trust Fund
19 and the amount necessary to ensure that the Trust Fund remains solvent and
20 able to continue meeting the needs of claimants during a future economic
21 recession and subsequent recovery;

1 (B) the adequacy and appropriateness of Vermont’s unemployment
2 insurance benefits, whether Vermont’s benefits should be increased, and
3 whether the Vermont statutes related to benefits should be modified in any
4 manner;

5 (C) instances for which it may be appropriate to provide the
6 Commissioner of Labor with authority to reduce or waive a period of
7 disqualification imposed in relation to a determination of unemployment
8 insurance fraud;

9 (D) instances for which it may be appropriate to provide the
10 Commissioner of Labor with authority to reduce or waive an individual’s
11 liability to repay overpaid unemployment insurance benefits; and

12 (E) potential statutory changes to mitigate the impact of benefit
13 charges attributed to reimbursable employers who paid wages to a claimant
14 during the claimant’s base period but did not cause the claimant to become
15 unemployed.

16 (2) In studying the issues set forth in subdivision (1) of this subsection,
17 the Committee shall compare Vermont’s unemployment insurance system with
18 the unemployment insurance systems of other states and specifically identify:

19 (A) best practices and high performing aspects of other states’
20 unemployment insurance systems;

1 (B) shortcomings, challenges, and opportunities for improvement in
2 Vermont’s unemployment insurance system;

3 (C) potential changes and improvements to the Vermont Department
4 of Labor’s staffing, resources, information technology, training, funding,
5 communications, practices, and procedures that are necessary to address the
6 shortcomings, challenges, and opportunities for improvement identified
7 pursuant to subdivision (B) of this subdivision (c)(2);

8 (D) potential statutory changes necessary to address the
9 shortcomings, challenges, and opportunities for improvement identified
10 pursuant to subdivision (B) of this subdivision (c)(2); and

11 (E) to the extent possible, the anticipated cost of implementing the
12 changes and improvements identified pursuant to subdivisions (C) and (D) of
13 this subdivision (c)(2) and any ongoing costs associated with such changes and
14 improvements.

15 (d) Assistance. The Committee shall have the administrative, technical,
16 and legal assistance of the Office of Legislative Counsel, the Office of
17 Legislative Operations, and the Joint Fiscal Office.

18 (e) Report. On or before December 15, 2021, the Committee shall submit a
19 written report to the House Committees on Appropriations, on Commerce and
20 Economic Development, and on Ways and Means and the Senate Committees
21 on Appropriations, on Economic Development, Housing and General Affairs,

1 and on Finance with its findings and any recommendations for legislative
2 action.

3 (f) Meetings.

4 (1) The Speaker of the House shall call the first meeting of the
5 Committee to occur on or before September 15, 2021.

6 (2) The Committee shall select a chair from among its members at the
7 first meeting.

8 (3) A majority of the membership shall constitute a quorum.

9 (4) The Committee shall cease to exist on December 31, 2021.

10 (g) Compensation and reimbursement. For attendance at meetings during
11 adjournment of the General Assembly, a legislative member of the Committee
12 shall be entitled to per diem compensation and reimbursement of expenses
13 pursuant to 2 V.S.A. § 23 for not more than 3 meetings. These payments shall
14 be made from monies appropriated to the General Assembly.

15 Third: In Sec. 15, 2020 Acts and Resolves No. 85, Sec. 9(a)(1), by striking
16 out the following: “November 15, 2021” and inserting in lieu thereof the
17 following: “December 15, 2021”

18 Fourth: In Sec. 16, 3 V.S.A. § 2222d, by striking out the following:
19 “November 15, 2021” and inserting in lieu thereof the following: “December
20 15, 2021”

1 and that after passage the title of the bill be amended to read: “An act
2 relating to employee incentives, technical education, and unemployment
3 insurance”

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8 (Committee vote: _____)

9

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Representative _____

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FOR THE COMMITTEE