

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

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

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

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

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

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

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

11           (b) In performing the evaluation required pursuant to subsection (a) of this  
12           section, the economist or consulting entity shall do the following:

13           (1) specifically identify:

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

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

18           (C) potential changes and improvements to the Vermont Department  
19           of Labor’s staffing, resources, information technology, training, funding,  
20           communications, practices, and procedures that are necessary to address the

1 shortcomings, challenges, and opportunities for improvement identified  
2 pursuant to subdivision (B) of this subdivision (b)(1);

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

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

10 (2) consult with the Department of Labor, the Attorney General, the  
11 Department of State’s Attorneys and Sheriffs, representatives of employers,  
12 representatives of employees, and representatives of claimants.

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

17 (d)(1) On or before November 15, 2020, the economist or independent  
18 consulting entity shall submit a written report detailing the findings and  
19 recommendations to the Senate Committees on Economic Development,  
20 Housing and General Affairs and on Finance and the House Committees on  
21 Commerce and Economic Development and on Ways and Means.

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

6           (e) As used in this section:

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

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

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

16                   PENALTIES; REIMBURSABLE EMPLOYERS; STUDY

17                   COMMITTEE; REPORT

18           (a) Creation. There is created the Unemployment Insurance Study  
19           Committee to examine the solvency of Vermont’s Unemployment Insurance  
20           Trust Fund, its benefit structure, potential grants of authority for the  
21           Commissioner of Labor to reduce or waive certain penalties, and potential

1 measures to mitigate the liability of reimbursable employers for some benefit  
2 charges.

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

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

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

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

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

14 (c) Powers and duties.

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

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

20 (B) the adequacy and appropriateness of Vermont's unemployment  
21 insurance benefits, whether Vermont's benefits should be increased, and

1 whether the Vermont statutes related to benefits should be modified in any  
2 manner;

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

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

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

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

17 (A) best practices and high performing aspects of other states'  
18 unemployment insurance systems;

19 (B) shortcomings, challenges, and opportunities for improvement in  
20 Vermont's unemployment insurance system;

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

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

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

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

16           (e) Report. On or before November 15, 2021, the Committee shall submit  
17           a written report to the House Committees on Commerce and Economic  
18           Development and on Ways and Means and the Senate Committees on  
19           Economic Development, Housing and General Affairs and on Finance with its  
20           findings and any recommendations for legislative action.

21           (f) Meetings.

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

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

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

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

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

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

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19           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE