

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. 14, unemployment insurance; trust fund;
8 benefits; detection and prevention of fraud and overpayments; reimbursable
9 employers; consultant; report, in its entirety and inserting in lieu thereof Secs.
10 14 and 14a to read as follows:

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

14 (a) On or before July 15, 2021, the State Auditor, in consultation with the
15 Joint Fiscal Office, shall contract with an independent consulting entity with
16 expertise in the field of unemployment insurance to evaluate certain aspects of
17 Vermont’s unemployment insurance system in comparison with the
18 unemployment insurance systems of other states and in consideration of the
19 needs of Vermont claimants, employees, and employers, as well as the
20 preparation for the modernization of the Department’s unemployment

1 insurance information technology systems during the next several years. The
2 independent consulting entity shall specifically examine:

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

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

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

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

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

15 (1) specifically identify:

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

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

20 (C) potential changes and improvements to the Vermont Department
21 of Labor’s staffing, resources, information technology, training, funding,

1 communications, practices, and procedures that are necessary to address the
2 shortcomings, challenges, and opportunities for improvement identified
3 pursuant to subdivision (B) of this subdivision (b)(1);

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

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

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

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

20 (d)(1) On or before December 15, 2021, the independent consulting entity
21 shall submit a written report detailing the findings and recommendations to the

1 State Auditor, the Senate Committees on Appropriations, on Economic
2 Development, Housing and General Affairs, and on Finance, and the House
3 Committees on Appropriations, on Commerce and Economic Development,
4 and on Ways and Means.

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

10 (e) As used in this section:

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

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

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

20 PENALTIES; REIMBURSABLE EMPLOYERS; STUDY

21 COMMITTEE; REPORT

1 (a) Creation. There is created the Unemployment Insurance Study
2 Committee to examine the solvency of Vermont’s Unemployment Insurance
3 Trust Fund, its benefit structure, potential grants of authority for the
4 Commissioner of Labor to reduce or waive certain penalties, and potential
5 measures to mitigate the liability of reimbursable employers for some benefit
6 charges.

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

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

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

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

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

18 (c) Powers and duties.

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

20 (A) the solvency of Vermont’s Unemployment Insurance Trust Fund
21 and the amount necessary to ensure that the Trust Fund remains solvent and

1 able to continue meeting the needs of claimants during a future economic
2 recession and subsequent recovery;

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

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

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

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

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

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

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

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

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

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

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

20 (e) Report. On or before December 15, 2021, the Committee shall submit a
21 written report to the House Committees on Appropriations, on Commerce and

1 Economic Development, and on Ways and Means and the Senate Committees
2 on Appropriations, on Economic Development, Housing and General Affairs,
3 and on Finance with its findings and any recommendations for legislative
4 action.

5 (f) Meetings.

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

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

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

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

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

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

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

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

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11 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE