Sec. 16. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) An employer shall not employ any employee at a rate of less than $10.96. Beginning on January 1, 2021, an employer shall not employ any employee at a rate of less than $11.75. Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than $12.55.

Beginning on January 1, 2023, an employer shall not employ any employee at a rate of less than $13.75. Beginning on January 1, 2024, an employer shall not employ any employee at a rate of less than $15.00, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest $0.01.

*** Minimum Wage ***
* * * COVID-19 Paid Sick Leave Grant Program * * *

Sec. 19. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a)(1) There is established in the Agency of Administration the COVID-19-
Related Paid Leave Grant Program to administer and award grants to
employers to reimburse the cost of providing COVID-19-related paid leave
provided to employees.

(2) The sum of $________ is appropriated from the American Rescue
Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of
Administration in fiscal year 2023 for the provision of grants to reimburse
employers for the cost of providing COVID-19-related sick leave.

(b) As used in this section:

(1) “Agency” means the Agency of Administration.

(2) “COVID-19-related reason” means the employee is:

(A) self-isolating because the employee has been diagnosed with
COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care
provider or a State or federal public health official because the employee has
been exposed to COVID-19 or the employee is experiencing symptoms of
COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-
law, grandchild, or foster child, because:
(Draft No. 1.3 – S.263)  
3/07/2022 - DJL - 10:51 AM

(i) the school or place of care where that individual is normally located during the employee’s workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee’s workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee’s parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.
(3) “Employee” means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(4) “Employer” means any person that has one or more employees performing services for it in Vermont. “Employer” does not include the State, a political subdivision of the State, or the United States.

(5) “Program” means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(6) “Program period” means the period beginning on January 1, 2022 and ending on December 31, 2022.

(7) “Secretary” means the Secretary of Administration.

(c)(1) An employer may apply to the Secretary for one or more grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the program period.

(2) An employer’s grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants not more than once each calendar month for paid leave provided during the program period.
between the beginning of the program period or the employer’s previous application, whichever is later, and the date of the employer’s current application.

(4) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for a grant in the same manner as any employer.

(d)(1) The Secretary shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process and a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons;

(B) promote awareness of the Program to employers; and

(C) award grants to employers on a first-come, first-served basis, subject to available funding.

(2)(A) The Secretary may delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Secretary may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into
pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State’s Procurement and Contracting Procedures.

(e)(1) Subject to the limitations of subdivision (2) of this subsection, employers may apply for grants in an amount equal the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the minimum wage established pursuant to 21 V.S.A. § 384 or the employee’s normal hourly wage.

(2)(A) The maximum number of hours of paid leave provided to an employee during the program period for which an employer may seek reimbursement through the Program shall equal the lesser of 80 hours or two times the employee’s average weekly hours worked for the employer during the six months preceding the date of the application.

(B) The maximum amount of reimbursement that an employer shall be eligible to receive for COVID-19-related paid leave provided to each employee shall be $63.88 per hour of paid leave provided, with an aggregate maximum of $5,110.00 per employee during the program period.

(f) As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify that the employer is not seeking reimbursement for any amounts of paid leave that were deducted from the
employee’s accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee’s accrued paid leave balance.

* * * Study of Paid Family and Medical Leave Insurance * * *

Sec. 19a. PAID FAMILY AND MEDICAL LEAVE: TASK FORCE; REPORT

(a) Creation. There is created the Paid Family and Medical Leave Insurance Task Force to examine the potential for enacting a paid family and medical leave insurance program in Vermont.

(b) Membership. The Task Force shall be composed of the following members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Task Force shall examine the establishment of a paid family and medical leave program in Vermont, including the following:

(1) the potential for creating a paid family and medical leave insurance program in Vermont utilizing one of the following administrative models:
(A) a State-administered family and medical leave insurance program 
  funded through a payroll tax that is deposited into a dedicated State trust fund;

(B) a State-operated family and medical leave insurance program 
  funded through a payroll tax in which the State contracts with one or more 
  private entities to operate some or all of the program on behalf of the State;

(C) a privately operated family and medical leave insurance program 
  in which the State contracts with a private insurance carrier to operate the 
  family and medical leave insurance program;

(D) a family and medical leave insurance program in which 
  employers and individuals can enroll in the family and medical leave insurance 
  program to be offered to State employees pursuant to the agreement between 
  the State and the Vermont State Employees’ Association; and

(E) any other administrative model that the Task Force determines is 
  appropriate for consideration.

(2) with respect to each administrative model for a family and medical 
  leave insurance program:

  (A) potential start-up and administrative costs;

  (B) administrative requirements and considerations;

  (C) advantages relative to the other models;

  (D) examples from other jurisdictions and the experience of the 
      programs in those jurisdictions;
(E) benefits and drawbacks; and

(F) any other considerations that the Task Force determines are relevant.

(3) types of leave that should be covered by paid family and medical leave insurance, including whether a family and medical leave insurance program should provide coverage for leave related to:

(A) bonding with a newborn or adopted child;

(B) caring for an ill or injured family member;

(C) the employee’s own illness or injury; and

(D) exigencies related to a family member serving in the U.S. Armed Forces;

(4) whether employees should be permitted to voluntarily enroll in coverage for one or more types of leave and whether coverage for any types of leave should be mandatory;

(5) potential advantages and disadvantages of creating a paid family and medical leave insurance program in which enrollment by either employers or employees is entirely voluntary; and

(6) opportunities to utilize innovative administrative models or public-private partnerships to reduce administrative costs of a paid family and medical leave insurance program or to enable a paid family and medical leave insurance benefits to be established more quickly.
(d) Assistance.

(1) The Task Force shall have the administrative assistance of the Office of Legislative Operations, the technical assistance of the Joint Fiscal Office, and the legal assistance of the Office of Legislative Counsel.

(2) The Task Force may contract with one or more entities or individuals for purposes of modeling and actuarial projections.

(e) Report. On or before January 15, 2023, the Task Force shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action. The Task Force’s report may take the form of draft legislation.

(f) Meetings.

(1) The Office of Legislative Operations shall call the first meeting of the Committee to occur on or before September 15, 2022.

(2) The Task Force shall select a chair from among its members at the first meeting.

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


(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force
shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(h) Appropriation. The sum of [$ ???.00] is appropriated to General Assembly from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds in fiscal year 2023 for per diem compensation and reimbursement of expenses for members of the Task Force and for expenses related to modeling and actuarial projections.

* * * Unemployment Insurance Benefits * * *

Sec. 19b. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2) on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 19c. 21 V.S.A. § 1341 is added to read:

§ 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL BENEFIT

(a) Beginning on July 1, 2022, in addition to the amount of regular unemployment insurance benefits provided pursuant to section 1338 of this title, each individual who qualifies for benefits pursuant to the provisions of this chapter shall receive a separate supplemental benefit of $25.00 each week.
(b) Benefits provided pursuant to this section shall be paid from the

Unemployment Insurance COVID-19 Supplemental Benefit Special Fund

established pursuant to section 1342 of this chapter.

Sec. 19d. 21 V.S.A. § 1342 is added to read:

§ 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL

BENEFIT SPECIAL FUND

There is established the Unemployment Insurance COVID-19 Supplemental

Benefit Special Fund, which shall be managed in accordance with 32 V.S.A.

chapter 7, subchapter 5. The Fund shall consist of any amounts appropriated to

the Fund. The Commissioner may seek and accept grants from any source,

public or private, to be dedicated for deposit into the Special Fund. The

Commissioner shall use the Fund to provide the Supplemental Benefit

established pursuant to section 1341 of this chapter and to pay all necessary

costs associated with the administration of the Supplemental Benefit and of the

Fund.

Sec. 19e. APPROPRIATION

$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA)

– Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance

COVID-19 Supplemental Benefit Special Fund established pursuant to

21 V.S.A. § 1342. Not more than five percent of the amount appropriated may

be used for administrative costs related to the implementation and payment of
the Unemployment Insurance COVID-19 Supplemental Benefit established pursuant to 21 V.S.A. § 1341.

Sec. 19f. REPEALS

21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

Sec. 19g. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual’s weekly benefit amount shall be determined by dividing the individual’s two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *
Sec. 19h. MODIFICATION OF UNEMPLOYMENT INSURANCE

MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Commissioner of Labor shall develop and implement changes to the unemployment insurance mainframe software or develop a modernized information technology system necessary to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 19g of this act. The changes to the mainframe or the modernized information technology system, as applicable, shall be developed and implemented in a manner that minimizes risk to the operation of the mainframe and the functions of the unemployment insurance program.

(2) The Commissioner of Labor and the Secretary of Digital Services shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is available in time to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 19g of this act.

(b) The Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information
Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 19g of this act, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 19g of this act by January 1, 2025 and shall identify any potential risks or concerns related to implementation that are not addressed in the Commissioner’s report.

Sec. 19i. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual’s weekly benefit amount shall be determined by dividing the individual’s two high quarter total subject wages required under
subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

***

*** Effective Dates ***

Sec. X. EFFECTIVE DATES

(a) This act shall take effect

(b) Notwithstanding 1 V.S.A. § 214, Sec. 19b (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(c)(1) Sec. 19c (temporary unemployment insurance supplemental benefit) shall take effect on July 1, 2022 and apply to benefit weeks beginning after that date.

(2) Secs. 19d (special fund), 19e (appropriation for temporary unemployment insurance supplemental benefit), and 19f (sunset of
unemployment insurance supplemental benefit) shall take effect on July 1, 2022.

(d) Sec. 19g (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2024 and shall apply to benefit weeks beginning after that date.

(e) Sec. 19i (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of $92,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(e) when compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2024 and shall apply to benefit weeks beginning after that date.

(f) Sec. 19h (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.