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* * * Minimum Wage * * *

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.

* * *

1 * * * COVID-19 Paid Sick Leave Grant Program * * *

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

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

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

11 (b) As used in this section:

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

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

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

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

20 (C) caring for a parent, grandparent, spouse, child, sibling, parent-in-
21 law, grandchild, or foster child, because:

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

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

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

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

12 (D) attending an appointment for the employee or the employee’s
13 parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster
14 child to receive a vaccine or a vaccine booster for protection against COVID-
15 19; or

16 (E) experiencing symptoms, or caring for a parent, grandparent,
17 spouse, child, sibling, parent-in-law, grandchild, or foster child who is
18 experiencing symptoms, related to a vaccine or a vaccine booster for protection
19 against COVID-19.

1 (3) “Employee” means an individual who, in consideration of direct or
2 indirect gain or profit, is employed by an employer to perform services in
3 Vermont.

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

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

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

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

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

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

20 (3) Employers may submit applications for grants not more than once
21 each calendar month for paid leave provided during the program period

1 between the beginning of the program period or the employer's previous
2 application, whichever is later, and the date of the employer's current
3 application.

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

9 (d)(1) The Secretary shall:

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

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

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

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

18 (B) The Secretary may enter into agreements, memoranda of
19 understanding, or contracts with private entities as necessary to implement or
20 administer the Program and, notwithstanding any provision of law to the
21 contrary, shall not be required to competitively bid any contracts entered into

1 pursuant to this subdivision (2)(B). For the purposes of the Program, the
2 ongoing public health risk posed by COVID-19 shall be deemed to be an
3 emergency situation that justifies the execution of sole source contracts
4 pursuant to Bulletin 3.5, the State’s Procurement and Contracting Procedures.

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

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

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

19 (f) As a condition of being eligible to receive a grant through the Program,
20 each employer shall be required to certify that the employer is not seeking
21 reimbursement for any amounts of paid leave that were deducted from the

1 employee's accrued paid leave balance at the time the COVID-19-related leave
2 was taken unless those amounts have been restored to the employee's accrued
3 paid leave balance.

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

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

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

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

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

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

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

19 (1) the potential for creating a paid family and medical leave insurance
20 program in Vermont utilizing one of the following administrative models:

1 (A) a State-administered family and medical leave insurance program
2 funded through a payroll tax that is deposited into a dedicated State trust fund;

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

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

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

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

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

17 (A) potential start-up and administrative costs;

18 (B) administrative requirements and considerations;

19 (C) advantages relative to the other models;

20 (D) examples from other jurisdictions and the experience of the
21 programs in those jurisdictions;

1 (E) benefits and drawbacks; and

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

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

7 (A) bonding with a newborn or adopted child;

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

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

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

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

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

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

1 (d) Assistance.

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

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

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

12 (f) Meetings.

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

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

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

18 (4) The Task Force shall cease to exist on January 30, 2023.

19 (g) Compensation and reimbursement. For attendance at meetings during
20 adjournment of the General Assembly, a legislative member of the Task Force

1 shall be entitled to per diem compensation and reimbursement of expenses
2 pursuant to 2 V.S.A. § 23 for not more than six meetings.

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

8 * * * Unemployment Insurance Benefits * * *

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

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

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

16 § 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL
17 BENEFIT

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

1 (b) Benefits provided pursuant to this section shall be paid from the
2 Unemployment Insurance COVID-19 Supplemental Benefit Special Fund
3 established pursuant to section 1342 of this chapter.

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

5 § 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL
6 BENEFIT SPECIAL FUND

7 There is established the Unemployment Insurance COVID-19 Supplemental
8 Benefit Special Fund, which shall be managed in accordance with 32 V.S.A.
9 chapter 7, subchapter 5. The Fund shall consist of any amounts appropriated to
10 the Fund. The Commissioner may seek and accept grants from any source,
11 public or private, to be dedicated for deposit into the Special Fund. The
12 Commissioner shall use the Fund to provide the Supplemental Benefit
13 established pursuant to section 1341 of this chapter and to pay all necessary
14 costs associated with the administration of the Supplemental Benefit and of the
15 Fund.

16 Sec. 19e. APPROPRIATION

17 \$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA)
18 – Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance
19 COVID-19 Supplemental Benefit Special Fund established pursuant to
20 21 V.S.A. § 1342. Not more than five percent of the amount appropriated may
21 be used for administrative costs related to the implementation and payment of

1 the Unemployment Insurance COVID-19 Supplemental Benefit established
2 pursuant to 21 V.S.A. § 1341.

3 Sec. 19f. REPEALS

4 21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental
5 Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19
6 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

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

8 § 1338. WEEKLY BENEFITS

9 * * *

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

16 (f)(1) The maximum weekly benefit amount shall be annually adjusted on
17 the first day of the first calendar week in July to an amount equal to the sum of
18 \$25.00 plus 57 percent of the State annual average weekly wage as determined
19 by subsection (g) of this section.

20 * * *

1 Sec. 19h. MODIFICATION OF UNEMPLOYMENT INSURANCE
2 MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT
3 VERIFICATION

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

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

18 (b) The Commissioner of Labor shall, on or before January 15, 2023 and
19 January 15, 2024, submit a written report to the House Committee on
20 Commerce and Economic Development, the Senate Committee on Economic
21 Development, Housing and General Affairs, and the Legislative Information

1 Technology Consultant retained by the Joint Fiscal Office detailing the actions
2 taken and progress made in carrying out the requirements of subsection (a) of
3 this section, the anticipated timeline for being able to implement the changes to
4 the unemployment insurance weekly benefit amount enacted pursuant to Sec.
5 19g of this act, and potential implementation risks identified during the
6 development process.

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

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

18 § 1338. WEEKLY BENEFITS

19 * * *

20 (e) An individual’s weekly benefit amount shall be determined by dividing
21 the individual’s two high quarter total subject wages required under

1 subdivision (d)(1) of this section by 45 ~~and adding \$25.00 to the resulting~~
2 ~~quotient~~, provided that the weekly benefit amount so determined shall not
3 exceed the maximum weekly benefit amount computed pursuant to
4 subsection (f) of this section.

5 (f)(1) The maximum weekly benefit amount shall be annually adjusted on
6 the first day of the first calendar week in July to an amount equal to ~~the sum of~~
7 ~~\$25.00 plus~~ 57 percent of the State annual average weekly wage as determined
8 by subsection (g) of this section.

9 * * *

10 * * * Effective Dates * * *

11 Sec. X. EFFECTIVE DATES

12 (a) This act shall take effect

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

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

19 (2) Secs. 19d (special fund), 19e (appropriation for temporary
20 unemployment insurance supplemental benefit), and 19f (sunset of

1 unemployment insurance supplemental benefit) shall take effect on July 1,
2 2022.

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

6 (e) Sec. 19i (prospective repeal of unemployment insurance benefit
7 increase) shall take effect upon the payment of a cumulative total of
8 \$92,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(e) when
9 compared to the rate at which benefits would have been paid under the formula
10 set forth in 21 V.S.A. § 1338(e) on June 30, 2024 and shall apply to benefit
11 weeks beginning after that date.

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