



January 27th, 2022

Senate Committee on Economic Development, Housing, and General Affairs
Re: Vermont COVID Worker Relief Fund
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Dear Chair Sirotkin and the Committee on Economic Development, Housing and General Affairs,

On behalf of Main Street Alliance and our 700+ Vermont small businesses and their employees, we submit this letter of support for the development of a Vermont Covid Worker Relief Fund.

Main Street Alliance recently testified to House Commerce on Workforce Development and stated that: *“With thousands of COVID cases each day, workers are forced to stay home to stay safe and keep their co-workers safe as they care for themselves and/or their loved ones. We know that some businesses have been able to pay their workers for these lost days. For those businesses who have been able to support their workers, we are hearing that they are no longer able to afford these costs. While some families remain resilient in these moments, others are struggling to meet their financial obligations. Additionally, we continue to see that when children stay home from school or child care, this has a disproportionate impact on women in the workforce.*

One worker shared that they had lost ten days of work and child care in the last three weeks and to add to that loss in pay, they have also had to cover the cost of their child care. To add insult to injury, this is all compounded by the loss of the monthly child tax credit. The recent surge in Omicron has put unsustainable pressure on small businesses and parents as they are doing all they can to keep their workers and families safe.

We ask that as the committee and the legislature consider long term solutions to address workforce development, that you also address the urgent need of workers and small businesses and consider the establishment of a VT COVID worker relief fund, essentially a state-based FFCRA program, to help both workers and small business remain resilient during these challenging times.”

Small Business Testimony:

Randy George - Co-Owner, Red Hen Baking Co - Middlesex VT - *“Throughout the pandemic, we have utilized a number of strategies to help keep our staff and customers safe. From mask mandates, vaccination requirements and following protocols and guidance in the event of a COVID exposure, these measures have been key parts of why we have been able to restore our business and revenue to normal levels at this point in time. Up until the recent Omicron surge, we had only two staff members test positive for COVID-19 whereas in just the last two weeks, we have had three more staff members test positive. We have thus far avoided seeing any additional transmission within our business by abiding by the recommendations of public health officials. We must also note that we have had a number of employees with school-age and younger children who have had to miss work to abide by similar regulations that schools and child care facilities are following. While we have been able to maintain a low level of transmission, we also know that we need to ask staff members to isolate for the recommended periods before they can safely return to work and for our workers with children, they need the financial resiliency to be able to put the health and safety of their children first.”*

<https://docs.google.com/document/d/1CL2OndJkxSbu5OyEEI8LsLGUmmKhfy3N/edit?usp=sharing&oid=102808593350364273080&rtpof=true&sd=true>

Eric Sorkin - Co-Owner, Runamok Maple - Fairfax, VT - *“On the ground, this comes down to asking employees to stay home if they test positive for covid, have had a meaningful exposure to someone who has tested positive for covid, or have symptoms of covid. Until this month we were able to provide replacement pay to all impacted employees. FFCRA allowed us to do this by reimbursing our company for a sizable portion of this expense. Without replacement pay, the burden falls on employees to choose between lost wages, and potentially exposing others at work. That’s an unenviable position to be in. With that in mind, when FFCRA funding ran out late last year, we attempted to fund replacement pay on our own. With the recent increase in infections, we have had to change our policy and we are no longer able to do it.”*

https://docs.google.com/document/d/1JRRYJU1NHpKV4CpGSNyz5uw1O_J3BJAX_P3fM3Sdghs/edit?usp=sharing

Opportunity: Can Vermont create a mechanism that would provide funding for a business to pay their workers in the event of loss of work due to a personal or family exposure to COVID-19.

For Reference: Family First Covid Relief Act - (FFCRA) Framework:

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor’s (Department) Wage and Hour Division (WHD) administers and enforces the new law’s paid leave requirements. These provisions will apply from the effective date through December 31, 2020.

Generally, the Act provides that employees of covered employers are eligible for:

- *Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay* where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- *Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay* because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor; and
- *Up to an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee's regular rate of pay* where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

Covered Employers: The paid sick leave and expanded family and medical leave provisions of the FFCRA apply to certain public employers, and private employers with fewer than 500 employees.^[1] Most employees of the federal government are covered by Title II of the Family and Medical Leave Act, which was not amended by this Act, and are therefore not covered by the expanded family and medical leave provisions of the FFCRA. However, federal employees covered by Title II of the Family and Medical Leave Act are covered by the paid sick leave provision.

Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern.

Eligible Employees: *All employees* of covered employers are eligible for two weeks of paid sick time for specified reasons related to COVID-19. *Employees employed for at least 30 days* are eligible for up to an additional 10 weeks of paid family leave to care for a child under certain circumstances related to COVID-19.^[2]

Notice: Where leave is foreseeable, an employee should provide notice of leave to the employer as is practicable. After the first workday of paid sick time, an employer may require employees to follow reasonable notice procedures in order to continue receiving paid sick time.

Qualifying Reasons for Leave:

Under the FFCRA, an employee qualifies for paid sick time if the employee is unable to work (or unable to telework) due to a need for leave because the employee:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or
6. is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

Under the FFCRA, an employee qualifies for expanded family leave if the employee is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19.

Duration of Leave:

For reasons (1)-(4) and (6): A full-time employee is eligible for 80 hours of leave, and a part-time employee is eligible for the number of hours of leave that the employee works on average over a two-week period.

For reason (5): A full-time employee is eligible for up to 12 weeks of leave (two weeks of paid sick leave followed by up to 10 weeks of paid expanded family & medical leave) at 40 hours a week, and a part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

Calculation of Pay: [\[3\]](#)

For leave reasons (1), (2), or (3): employees taking leave are entitled to pay at either their regular rate or the applicable minimum wage, whichever is higher, up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).

For leave reasons (4) or (6): employees taking leave are entitled to pay at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$2,000 in the aggregate (over a 2-week period)

For leave reason (5): employees taking leave are entitled to pay at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$12,000 in the aggregate (over a 12-week period). [4]

As you consider this type of solution to support Vermont's workers and small businesses, here are some key points that will help to further create an equitable program.

- Monthly reimbursement - quarterly reimbursement puts an undue burden on the employer and the employee
- FFCRA had a limit on business size so large businesses of 500 or more were not eligible. This had major consequences for those workers who worked for companies like GoodWill, Walmart, Target, etc.
- Inclusive Family Definition to include chosen family
- Sole-proprietors - There are over 60,000 sole-proprietors in Vermont - what options do we have to support these business owners, many of whom also have children.
- Department of Tax seems to be the best option to implement this program as they were able to efficiently disburse funding to businesses through the Economic Recovery Grants.
- Implementation - This was the form that the business used to request reimbursement. FORM 7200 as used for FFCRA - <https://www.irs.gov/pub/irs-pdf/f7200.pdf>

Recent Articles:

NPR: Parents and caregivers of young children say they've hit pandemic rock bottom
https://www.npr.org/2022/01/20/1074182352/unvaccinated-young-kids-child-care-parents-omicron-disruptions?utm_term=nprnews&utm_campaign=npr&utm_medium=social&utm_source=facebook.com&fbclid=IwAR31B8gts2d8a_Z7SmNf4fyAiEVxgEyPgXr5PtIIMGVSP7OcjprsrmlkZ1g