



**STATE OF VERMONT**  
GENERAL ASSEMBLY

September 23, 2021

Jim Garner, Administrator  
Office of Unemployment Insurance  
Employment and Training Administration  
200 Constitutional Avenue, N.W.  
Washington, DC 20210

Dear Mr. Garner,

We are writing regarding our concerns as it related to the interpretation of Vermont Act 51 of 2021, which included a change to increase benefits to Vermonters receiving unemployment. We believe that the information below provides important context, and with this additional information, we request that you reconsider your August 24, 2021 letter of non-conformance. Over the next decade, we anticipate this decision impacts about \$100 million in benefits to Vermont's laid-off workers.

At a legislative hearing on September 14, 2021, Vermont's Commissioner of Labor confirmed that USDOL links the non-conformance decision to legislative intent regarding whether or not the \$25 increase to recipients is a "supplemental" benefit.

During the 2021 legislative session, which adjourned on June 24, 2021, we spent many hours reaching a compromise that would balance \$300 million of Unemployment Insurance (UI) tax relief for businesses and with an increase in benefit after the federal supplemental benefit expired. The goal was to achieve parity between the reduction in tax rates and the increase in benefits. Vermont has a tradition of making changes to UI Trust Fund that balances any reduction in tax rates with an increase in benefits.

Throughout the negotiations between the House, Senate and Governor Scott's administration, we repeatedly faced the limits of our aging UI mainframe. As you know, this has been a source of frustration for the state as we worked to protect and support Vermonters throughout the pandemic. Fortunately, the state is now on a path to modernize the system but that will take several years.

As negotiations neared the end, the Vermont Department of Labor (VDOL) assured the legislature that the easiest way to increase benefits to Vermonters without major risk to the mainframe was to add a flat \$25 per week per recipient.

As leaders of both chambers in the Vermont legislature, and the five relevant committee chairs, we disagree with VDOL's interpretation that the \$25 boost should be seen as "supplemental" to the benefit already in our formula. We were following the administrations suggestion that a flat \$25 was the easiest technical solution to our intended desire to increase benefits. There was no real discussion of whether it was to be a separate benefit or part of the wage calculation formula. Whatever mechanism would lead to allowing the benefit to be paid with trust fund dollars was what the legislature wanted. If we had been informed during the bill's markup that the benefit could not go forward with trust fund dollars, we would have clarified the legislation.

Since your August 24<sup>th</sup> letter is based on an analysis of legislative intent offered by the VDOL, we wanted you to hear directly from the relevant legislative leaders what our intent was in Act 51.

We hope this might cause you to reconsider your guidance and ask for the opportunity to discuss this further.

Sincerely,

Senator Becca Balint, Vermont Senate President Pro Tempore  
Representative Jill Krowinski, Vermont Speaker of the House

Senator Michael Sirotkin, Chair of Senate Economic Development, Housing & General Affairs  
Representative Mike Marcotte, Chair of House Committee on Commerce and Economic Development  
Representative Janet Ancel, Chair of House Committee on Ways and Means

cc: Senator Patrick Leahy  
Senator Bernie Sanders  
Congressman Peter Welch  
Governor Phil Scott  
Leo Miller, Regional Administrator at US DOL  
Michael Harrington, Commissioner at VT DOL