



State of Vermont
Department of Labor
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Vermont State Legislature
215 State Street
Montpelier, VT 05602

Re: Sunsetting of Vermont's High Extended Benefits period

Dear Members of the General Assembly,

This letter is to make you aware that Vermont has triggered off of "High Extended Benefits," which are part of the State Extended Benefit under the Unemployment Insurance Program. This change in benefits is at the direction of the U.S. Department of Labor and in accordance with 21 V.S.A. § 1421(2-3).

You may have read the recent jobs report released by the Department on September 18, 2020 indicating that Vermont's unemployment rate fell to 4.8%. On the surface, this number looks very encouraging considering all that has happened this year; however, what is not shown is how drastically misrepresentative this number is of Vermont's current economic position. Based on the number of individuals currently filing weekly claims for unemployment benefits, Vermont's actual unemployment rate is likely somewhere closer to 8%-10%.

A state's unemployment rate is what drives its extended benefits program, and depending on how extreme the unemployment rate becomes, states can trigger on or off of what is called "State Extended Benefits" (State E.B.), which offers an additional 13 weeks of benefits, or "High Extended Benefits" (High E.B.), where the original 13 weeks are expanded to 20 weeks.

Vermont triggered onto State Extended Benefits on May 3, 2020, and then moved to High Extended Benefits on July 5, 2020; however, with the most recent decrease in the reported unemployment rate, Vermont, like many other states, has triggered off of "High E.B.," shortening Vermont's unemployment benefits period by seven weeks. The last week that High Extended Benefits will be available to Vermonters is October 4-10th.



The disconnect between the reported unemployment rate and the actual number of people receiving benefits occurs in part because of the way the U.S. Bureau of Labor Statistics (BLS) defines the unemployed population in each state. By definition, per the BLS, in order to be considered part of Vermont's unemployed labor force, an individual must 1) be currently looking for work or have looked for work in the past four weeks, AND 2) be willing to accept work if offered. The U.S. Census Bureau, which conducts the "household survey," does not take into consideration the expansion of unemployment insurance eligibility during COVID-19, nor does it contemplate the actions taken by Governors and Legislatures across the country to suspend work search requirements or allow individuals to remain at home either to protect themselves or care for a loved one. It is because of COVID-19 that many unemployed individuals cannot meet the BLS criterion, and thus, are not counted as part of a state's official labor force.

Because there has not been any flexibility in the calculation method to account for the current economic conditions as a result of this public health emergency, many Vermonters who are unable to return to work will be deprived of their benefits simply because the federal government wants to remain consistent in its data gathering methodology.

Furthermore, preliminary data collection indicates that Vermont is likely to trigger off of State Extended Benefits completely in late October or early November. This change in benefits will impact claimants who have received the original 26 weeks of benefits in Traditional Unemployment, as well as 13 additional weeks in Pandemic Emergency Unemployment Compensation (PEUC), and are now receiving, or expected to receive, State Extended Benefits.

Please know that we are actively working to contact claimants who are expected to be impacted by these changes and are in communication with our congressional delegation advocating for changes in the regulations that govern State Extended Benefits, including High Extended Benefits.

Sincerely,



Michael A. Harrington
Commissioner
Vermont Department of Labor

Cc. U.S. Congressional Delegation



