



Vermont Modernizes its Unemployment Insurance

The American Recovery and Reinvestment Act (ARRA), the federal economic stimulus plan signed by President Obama in February 2009, contains provisions for the modernization of the Unemployment Insurance (UI) program so that it better reflects the realities of today's workforce. A portion of the federal stimulus money was made available to states on the condition that they update their UI programs. Vermont needed only one change to bring its program into compliance with the new law and garner \$14 million in federal funds (see our [March 2009 report](#)).

As part of Act 54, Vermont's own recovery and reinvestment act, the Legislature changed unemployment eligibility rules to allow workers who run out of benefits while in an approved training program to get up to 26 additional weeks' benefits during the completion of the training¹.

Governor Douglas signed Act 54 on June 1, 2009. Vermont joins 24 other states to date that have made legislative changes to modernize their UI programs. The portions of the Vermont legislation affecting UI program modernization are provided below.

Act 54. The Vermont Recovery and Reinvestment Act of 2009² Unemployment Insurance Program excerpt, pages 63-64

Sec. 33. ARRA AND UNEMPLOYMENT INSURANCE

(a) The American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L. No. 111-5, authorizes the federal government to transfer up to \$13,918,000.00 into Vermont's unemployment insurance (UI) trust fund for UI modernization incentive payments.

(b) Vermont already qualifies for one-third of its allotted incentive payments because the state allows for the use of an alternative base period in determining UI eligibility. In order to qualify for the remaining two-thirds of its allotted incentive payments, Vermont's UI program must meet two of four expanded-coverage requirements.

(c) The state already meets one expanded-coverage requirement: namely, coverage of part-time workers. It is the intent of the general assembly to adopt one additional expanded-coverage requirement, namely the training program specified in Sec. 34 of this act, and to apply to the secretary of the United States Department of Labor for certification of UI modernization so that the state may receive its remaining allotment of incentive payments.

Sec. 34. 21 V.S.A. § 1423b is added to read:

§ 1423b. EXTENDED BENEFITS; APPROVED TRAINING PROGRAMS

(a) An individual who is otherwise eligible for benefits under this chapter, but who has exhausted his or her maximum benefit amount under section 1340 of this chapter, shall be entitled to an additional 26 weeks of benefits in the same amount as the weekly benefit amount established in the individual's most recent benefit year if the individual is enrolled in and making satisfactory progress in a state-approved training program as defined in subsection (b) of this section.

(b) A state-approved training program is any training program or job training program that meets all of the following criteria:

(1) It is authorized by the Workforce Investment Act of 1998, PL.105-220.

(2) It is designed to assist individuals who have been separated from a declining occupation or who have been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment.

1 Approved training programs include classroom and/or jobsite training provided by colleges, nonprofits, or private companies for jobs in a range of fields including computer programming, home weatherization, carpentry, nursing, and truck driving.

2 Act 54 was passed by the legislature as House Bill 313: An Act Relating to Near-Term and Long-Term Economic Development

