Vermont and Federal   
covid-19 emergency response legislation

Updated Saturday, May 30, 2020

# Vermont Legislative Update:

The Vermont Legislature continues to focus on COVID-19 response, plans for how to spend Vermont’s $1.25 billion in the Coronavirus Relief Fund (CRF), planning and timelines for developing budgets for the remainder of fiscal year 2020, and looking forward to fiscal year 2021. Each week, legislators receive updates from the Joint Fiscal Office, Administration officials, and constituents that they use to guide their work and decision making.

## Budget

The Legislature is crafting the budget in three phases: an FY2020 budget adjustment, a preliminary FY2021 budget (which will cover the first three months of the fiscal year), and a budget for the remainder of FY2021. The first two of these are the focus between now and the end of June, and the Legislature will work on the third budget later this year. The FY20 supplemental budget adjustment was voted out of the house chamber this week and is now being worked on by the Senate.

The House Committee on Appropriations spent a lot of time this week on planning for the second of these budgets—a “first phase” budget that would cover July, August, and September of this year. There is a very tight timeline under which this budget must pass to go into effect July 1, so it appears that the bill will act as a tool to keep Vermont's government running, rather than include substantive policy changes or CRF appropriations, and that the third budget may act as more of a 12-month, substantive budget. The Senate Committee on Appropriations has also begun preparing for this next piece of the budget. Both chambers have discussed the role that CRF funds can play in the FY21 budget, either as direct revenue replacement if the federal government allows, or in targeted ways to account for COVID-19 response and recovery.

## Coronavirus Relief Funds

State government officials and legislators continue their work to determine how federal relief funds will be spent on COVID response and recovery. A small portion of Vermont's $1.25 billion in the CRF will be under the jurisdiction of Governor Phil Scott's administration, and the rest will be subject to varying degrees of legislative oversight. These funds cannot currently be used to replace lost state revenue, but many hope that this will change in the future.

The House Committee on Appropriations plans to pivot to CRF spending discussions once the Q1 FY21 bill moves out of its committee. It remains unclear how quickly decisions will be made, but there is a sense of urgency in that committee, which plans to look at CRF requests in different categories according to their size. The active work on CRF proposals will be in policy committees, which Appropriations members will likely sit in on so that they can participate in these discussions while they happen.

The state senate is also engaged in discussions about how CRF funds should be spent—including two workgroups focused on lessons learned and transition challenges, respectively. The Transition Challenges Workgroup is focused on advising the body on where gaps in response exist, and where potential additional work could be done to support Vermont through the response and recovery period. Child care has been identified and highlighted by this group as an issue worthy of continued support and investment.

## Other Updates

Legislative committees continue to engage in conversations about how to best support the child care system through this crisis, and through the reopening period. On Tuesday, the House Committee on Health and Welfare heard from CDD, VDH, Let's Grow Kids, Building Bright Futures, and child care centers about their plans and concerns for reopening and bringing children safely back into their care. LGK also presented ideas for how CRF funds could be spent to support families and early care and education programs as Vermonters return to work.

# Federal Legislation

Congress has passed a number of COVID-19 bills to support states in responding to the global pandemic.

## Emergency COVID-19 Spending Package

On Friday, March 6, President Trump signed an emergency spending package into law, providing approximately $8 billion in funding to fight COVID-19. The legislation includes funding for immediate priorities, including:

* Medicare telemedicine services for seniors;
* Coronavirus vaccine development and therapeutics;
* Increased funding for the Centers for Disease Control and Prevention to address state and local preparedness;
* Medical supplies;
* Funding for state and local agencies for COVID-19 testing, tracking, and mitigation; and
* Low-interest loans for small businesses affected by COVID-19 mitigation efforts.

## Families First Coronavirus Response Act

On Wednesday, March 18, President Trump signed the Families First Coronavirus Response Act into law. This legislation includes important provisions related to COVID-19 testing, paid family and medical leave, and expanded unemployment benefits. Rules are being proposed by the US Department of Labor to implement the paid leave and unemployment provisions. You can find [updated information here](https://www.dol.gov/agencies/whd/ffcra).

* **Free COVID-19 Testing**
  + The legislation provides for COVID-19 testing to be covered by either private health insurance or government programs. This includes a special waiver for state children’s health insurance programs, such as Dr. Dynasaur, to temporarily cover diagnostic tests. Families First also provides funding for Medicaid, the Department of Veteran’s Affairs, Indian Health Services, and the National Disaster Medical System to help cover testing-related expenses.
* **Paid Family and Medical Leave**
  + The legislation creates a [temporary federal emergency paid leave program](https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave) to provide paid leave for employees of certain public and private employers with fewer than 500 employees.
    - Employees of covered employers are eligible for:
      * Up to two weeks of expanded family and medical leave at an employee’s regular rate of pay if an employee is unable to work because they are quarantined (based on federal, state, or local government order or the advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis.
      * Up to two weeks of expanded family and medical leave at two-thirds of an employee’s regular rate of pay if the employee is unable to work because:
        + They are caring for someone who is quarantined; and/or
        + They are caring for a child (under 18 years of age) because school or child care is closed or unavailable for reasons related to COVID-19; and/or
        + The employee is experiencing a substantially similar condition.
      * Up to 10 additional weeks of expanded family and medical leave at two-thirds of an employee’s regular rate of pay if an employee has been employed for at least 30 calendar days and if the employee is unable to work due to a need to care for a child (under 18 years of age) whose school or child care program is closed or unavailable for reasons related to COVID-19.
    - Employers with fewer than 50 employees [may request an exemption](https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave) from the requirement to provide leave due to school or child care closings.
    - Employers cannot require employees to find a replacement worker for themselves or require and employee to use other paid time off if they need leave for one of the reasons noted above.
    - Employers will receive [tax credits](https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave) to offset the cost of providing paid leave.
  + For those who are self-employed, there will be a [tax credit](https://www.kff.org/global-health-policy/issue-brief/the-families-first-coronavirus-response-act-summary-of-key-provisions/) equivalent to the sick leave available for employees of qualifying employers.
* **Unemployment Aid**
  + The legislation provides almost $1 billion in grants to states to help states provide increased unemployment insurance.
* **Nutrition Assistance**
  + The legislation allocates nearly $1 billion to provide food insecure individuals with meals, half of which will go to WIC (Special Supplemental Nutrition Program for Women, Infants, and Children).
  + Households with children may be eligible for food assistance if a child’s school has been closed for at least 5 consecutive days because of COVID-19.
  + The legislation also expands eligibility for SNAP (known in Vermont as Three Squares) and suspends the program’s work requirements.

## Coronavirus Aid, Relief and Economic Security Act (CARES Act)

The CARES Act includes more than $2 trillion in supports to state, local, and tribal governments and individuals to address the effects of the COVID-19 pandemic. It was signed into law by President Trump on March 27, 2020. There are many components of the legislation. The National Council of State Legislatures has a very helpful summary [on their website](https://www.ncsl.org/ncsl-in-dc/publications-and-resources/coronavirus-stimulus-bill-states.aspx). Some highlights include:

* **Coronavirus Relief Fund**
  + The bill creates a $150 billion fund for state, local, and tribal governments to use for expenditures incurred due to the public health emergency.
  + Funding will be available to states based on their population, but no state will receive a payment that is less than $1.25 billion. This means that Vermont will receive significantly more support given our size.
* **Increased Funding for Human Services**
  + The bill includes $6.3 billion for the federal Administration for Children and Families (ACF). This funding will go to a number of human services programs including $3.5 billion for the Child Care and Development Block Grant to provide immediate assistance to child care providers. Vermont is estimated to receive about $4.3 million of these funds.
* **Education Funding**
  + The bill includes $30 billion for an Education Stabilization Fund for states, school districts, and institutions of higher education to help them cover costs related to the coronavirus.
* **Disaster Relief Funding**
  + The bill includes $45 billion for the Disaster Relief Fund. This fund is available to help governments protect citizens and help them recover from the overwhelming effects of COVID-19.
* **Public Health Response Support**
  + An additional $4.3 billion, through the Centers for Disease Control and Prevention, to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus.
* **Increases Unemployment Insurance Coverage**
  + The bill expands unemployment insurance from three to four months, and provides temporary unemployment compensation of $600 per week, which is in addition to and the same time as regular state and federal unemployment insurance benefits.
* **National Guard Support**
  + The bill includes $1.4 billion for deployments of the National Guard. This level of funding will sustain up to 20,000 members of the National Guard, under the direction of the governors of each state, for the next six months in order to support state and local response efforts.
* **Provides Loans for States**
  + The bill creates a $500 billion lending fund for businesses, cities, and states.
* **Direct Payments to Individuals**
  + The bill provides funding for the IRS to make direct payments to many Americans. Payment amounts will depend on your most recent tax filing status (single or married).
    - Individuals who earn $75,000 or less will receive $1,200. Individuals who earn up to $99,000 will receive a payment, but payments will decrease as income rises.
    - Married couples who last filed their taxes as married filing jointly with a combined income of $150,000 or less will receive $2,400.
    - Any individual or family eligible for one of the above payments who claimed a dependent child on their latest tax return will receive an additional payment of up to $500 per eligible child.
  + More information on these economic impact payments is available [from the IRS](https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know).