

Economic Recovery Op-Ed by David Zuckerman

To date, the federal government has committed \$1.6 billion to the State of Vermont in coronavirus aid. The bulk of this aid is in the \$1.25 billion Coronavirus Relief Fund. While Vermont and other states are seeking greater flexibility in the use of these funds, current requirements stipulate that these funds must be used to address the fallout from the COVID-19 pandemic. The law further stipulates that these funds cannot be used to replace the States lost tax revenues, estimated to be nearly \$400 million.

A plethora of proposals have been made for the use of coronavirus aid. On May 20, Governor Phil Scott released a proposal for a \$400 million Vermont Economic Recovery Package. The Governor proposes a Phase One appropriation of \$310 million that includes financial assistance to businesses, housing assistance to landlords and tenants, technical assistance to businesses, assistance to dairy farmers and value-added dairy businesses, and marketing support to promote Vermont to Vermonters. On Wednesday of this week, the Scott Administration proposed that an additional \$300 million be used to bailout Vermont's health care system. The Legislature is also considering a proposal being brought forth by various Vermont constituencies.

Like most Vermont legislators, I broadly agree with the Governor's proposed Economic Recovery Package. Of course, details need to be hammered out and priorities need to be set. But I also believe that there are significant needs that are not being adequately addressed by the Package. Having listened to hundreds of Vermonters over the past two months, let me outline three specific needs that warrant further consideration as we allocate federal coronavirus funds:

1. **Fiber Optic Broadband Expansion**-Access to broadband is key to educational access in these times as well as to our State's economic development. For years, politicians have talked about extending or upgrading internet service to unserved and underserved areas of Vermont. Coronavirus Relief Aid provides us with an opportunity to move beyond talk and into action. Time is of the essence. Aid funds must be spent by December 31 of this year. This investment is essential to ensure that all Vermonters are able to learn virtually and work remotely. As we continue social distancing in both our schools and workplaces, it is critical that we quickly ramp up our internet capacity, especially in rural areas. As we proceed, we must be careful to ensure that an investment in broadband must provide long term benefits to Vermonters rather than solely to the benefit of privately owned utilities.
2. **Direct Assistance to Unemployed Vermonters**-More than 87,000 Vermonters are unemployed, Vermont's unemployment rate is estimated to be as high as 27%. The CARES Act has expanded the social safety net by broadening and increasing unemployment insurance. Unfortunately, key provisions of the ACT related to unemployment compensation will soon expire. The Federal Pandemic Unemployment Compensation (FPUC) currently directs an additional \$600 a week to people claiming jobless benefits. However, the FPUC only lasts until July 31 and leadership of the US Senate has indicated that extra payments "will not be in the next bill". And, the coverage for payroll costs provided by the Paycheck Protection Program (PPP) is

currently available for only an 8-week period after the loan/grant is made. While the wrangling continues in Washington, we need to consider how we could best use some of the Aid monies received by the State of Vermont to “soften the blow” for unemployed Vermonters. This money will primarily recirculate in Vermont and that too will help the broader economy.

3. **Food Security**-One of the starkest consequences of the pandemic is hunger. A hodgepodge of programs is supporting Vermonters struggling to put food on the table. The distribution of food at specified locations certainly provides a visual that demonstrates the need. However, it may not be the most efficient distribution system for the long-term nor does it provide easy access to those without cars, or who are at the end of the line. At the federal level, the Families First and CARES Acts are supporting efforts to feed hungry Americans. But more needs to be done. The food security of Vermonters is dependent on state and federal efforts to expand and reform the 3SquaresVT program, including increasing benefits to participants. The State also must play a more active role in organizing a long-term and sustainable program that links restaurants, farmers, and hungry/vulnerable Vermonters. Food security needs to be a pillar of Vermont's Economic Recovery Plan to help now and make Vermont more resilient for the future.

I will continue to listen carefully to my fellow Vermonters, and I look forward to being actively engaged as this extremely important discussion continues.