

Summary of Current Events:

Last week, the Vermont House overwhelmingly passed a \$79 million COVID relief bill that includes some provisions affecting the Vermont State Teachers' Retirement System. The bill – which is now under consideration in the Senate Appropriations Committee – dedicates \$20 million of current-year general fund surplus money to support “future legislative action regarding pension funding initiatives,” according to a [legislative summary](#). The money will also be used toward prefunding other postemployment benefits, chiefly retiree healthcare.

The bill also sets a May 30 deadline for lawmakers, the treasurer, the governor and interested parties to “develop a long-term funding initiative to address pension and OPEB liabilities.”

The money set aside in the bill is intended to be used during the current budget year. You'll remember that Gov. Phil Scott pledged to fully fund the pension's long- and short-term obligations in the coming fiscal year, essentially leaving the Democratic-controlled legislature in the driver's seat on what any action on your pensions will look like.

The legislature is on Town Meeting break this week and we expect that the House Government Operations Committee to continue testimony on the pensions when they return. Prior to their break, they heard from Vermont-NEA and the Vermont State Employees Association opposition to the Treasurer's plan.

As a reminder, Vermont-NEA's position is abundantly clear as legislative conversations continue: We oppose any plan that hikes the cost, lowers the benefit, and eliminates the cost-of-living adjustments in retirement. Please stay involved by checking our [pension resources page](#).

For your information: Nearly \$1 billion in federal pandemic relief is headed to Vermont.

US Rep. Peter Welch told the House and Senate appropriations committees last week that the federal COVID relief package passed by the US House of Representatives last week contains \$960 billion for Vermont. The state's lone member of Congress, Welch told Vermont lawmakers that \$600 million is likely going to the state and the rest to local communities. According to a [report in VT Digger](#), Welch said that this round of COVID funding will have fewer strings attached than did the \$1.25 billion the state has already received. The federal package includes money specifically earmarked for public schools; increased COVID testing and contact-tracing; a federal vaccination program; and housing assistance. It also includes direct payments to most working Americans. You can [see Welch testify before Vermont lawmakers right here](#).

We believe that some of these federal monies must be used by the legislature to fund the pension. These federal monies should be combined with a new dedicated revenue source, like the one proposed in S.59 to impose an income tax surcharge on those Vermonters making over \$500,000 per year.

Want a quick overview of the pension and how it impacts Vermont's economy?

Here is a great infographic overview of the VSTRS system that highlights the economic impacts of the pension on our state and communities. Check it out here: <https://vtnea.org/uploads/files/AARP%20IN%20THE%20STATES%20-%20SNAPSHOT%20Vermont%20Public%20Employee%20Retirement%20System.pdf>