2006 Special Session I

Budget Bill - HB5002 (Chapter 3)

Virginia Employment Commission

Item 120	First Year - FY2007	Second Year - FY2008
Workforce Systems Services (47000)	**$610,213,163**	**$622,345,297**
Job Placement Services (47001)	$34,543,424	$34,543,424
Unemployment Insurance Services (47002)	$519,547,542	$531,679,676
Workforce Development Services (47003)	$47,585,717	$47,585,717
Workforce System Organization Services (47004)	$8,536,480	$8,536,480
Fund Sources:		
General	$80,654	$80,654
Special	$200,000	$5,450,000
Trust and Agency	$609,932,509	$616,814,643

Authority: Title 60.2, Chapters 1 through 6, Code of Virginia.

A. Revenues deposited into the Special Unemployment Compensation Administration Fund shall be used for the purposes set out in the following order of priority: 1) to support essential services of the Commission, particularly in the event of reductions in federal funding; 2) to finance the cost of capital projects; and 3) to fund the discretionary fund established in § 60.2-315, Code of Virginia. Funding may be transferred from the capital budget to the operating budget consistent with this language.

B. Reed Act funds credited to the unemployment trust fund with respect to federal fiscal years 2000, 2001, and 2002, under Section 1103 of the Social Security Act (42 U.S.C.), as amended, shall be used only for the administration of the unemployment compensation program, under the direction of the Virginia Employment Commission and shall not be subject to the requirements of § 60.2-305 of the Code of Virginia.

C.1. Education for Independence and Virginia's Skills Center Programs previously funded through the 1990 Carl D. Perkins Vocational Education and Applied Technology Act and through Social Services Block Grants or other available federal funds shall be funded and supported through the Workforce Investment Act and the One-Stop Career System.

2. The Virginia Employment Commission shall work with the various providers of the Education for Independence programs to prepare these providers to become certified and eligible for funding through the local Workforce Investment Boards.

D. The Secretary of Commerce and Trade shall report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1 of each year on the amounts returned from the local Workforce Investment Boards and uses of the funds reallocated by the Governor.

E. There is hereby appropriated out of the funds made available to this state under Section 1103 of the Social Security Act (42 U.S.C.) as amended, the sum of $38,367,866 in the first year and $28,550,000 in the second year of Reed Act funds, to be used under the direction of the Virginia Employment Commission, and subject to the requirements of § 60.2-305, Code of Virginia, for the purpose of administering the federal Wagner-Peyser Job Service Grant ($3,700,000 in the first year and $5,700,000 in the second year), administering the federal Unemployment Insurance Grant ($4,100,000 in the first year and $2,350,000 in the second year), and to upgrade obsolete information technology systems ($30,567,866 in the first year and $20,500,000 in the second year).

F. There is hereby appropriated out of funds made available to this state under the Workforce Investment Act of 1998 (WIA), the sum of $75,000 in the first year to fund a study to revisit the composition of the algorithm and the data used for calculating the appropriate number of Safety Compliance Officers and Health Compliance Officers to be hired by the Virginia Department of Labor and Industry. A draft report of the study shall be submitted to the Secretary of Commerce and Trade and the Department of Labor and Industry on July 1, 2007, and a final report shall be provided on October 1, 2007.

G.1. The Commissioner shall work in concert with the Virginia Liaison Office and with the members of the State Congressional Delegation and federal executive branch agencies to increase the amount of Federal Unemployment Tax Act (FUTA) revenue distributed by the U.S. Department of Labor to the Virginia Employment Commission for administration of the Commonwealth's unemployment insurance program, from its fiscal year 2004 level of $63.2 million, which represents 32.8 percent of the $192.8 million in FUTA taxes paid by Virginia's employers, to an amount not less than 50 percent of the amount of FUTA taxes paid by Virginia's employers.

2. The Office shall submit a report to the Governor and the chairs of the Senate Committee on Commerce and Labor, the Senate Committee on Finance, the House Committee on Labor and Commerce, and the House Committee on Appropriations by December 1, 2006, that summarizes the activities by the Commission and the Virginia Liaison Office in furtherance of the above subsection.