2021 Special Session I

# Budget Bill - HB1800 (Chapter 552)



Virginia Employment Commission

| Item 131 | First Year - FY2021 | Second Year - FY2022 |
|---|---|---|
| **Workforce Systems Services (47000)** | **$555,338,468** | ~~**$552,133,812**~~ ***$587,118,054*** |
| Job Placement Services (47001) | $31,718,264 | $31,718,264 |
| Unemployment Insurance Services (47002) | $522,735,822 | ~~$519,531,166~~ *$554,515,408* |
| Workforce Development Services (47003) | $884,382 | $884,382 |
| Fund Sources: | | |
| General | *$0* | *$34,984,242* |
| Special | $8,931,271 | $8,931,271 |
| Trust and Agency | $546,407,197 | $543,202,541 |

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 make payment of any interest owed on loans from the U.S. Treasury for payment of unemployment compensation benefits; 2) to support essential services of the Commission, particularly in the event of reductions in federal funding; 3) to finance the cost of capital projects; and 4) 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.1. Reed Act funds distributed by the Employment Security Financing Act of 1954 with respect to the federal fiscal years 1956, 1957, and 1958 and credited to the agency from the proceeds related to the sale of agency property with federal equity are hereby appropriated (up to $600,000) to maintain service levels in the agency's local offices.

2. Reed Act funds distributed by the Balanced Budget Act of 1997 and credited to the unemployment trust fund with respect to federal fiscal years 2000, 2001, and 2002, under § 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, Code of Virginia. Reed Act funds from the Balanced Budget Act are hereby appropriated (up to $2.2 million, not to exceed the balance of said Reed Act funds) to pay for upgrading the information technology systems at the Virginia Employment Commission.

C. There is hereby appropriated out of the funds made available to this state under § 1103 of the Social Security Act (42 U.S.C.) as amended, the balance of the $51,067,866 of Reed Act funds, if any, provided in Item 120 E. of Chapter 847, 2007 Acts of Assembly, for upgrading obsolete information technology systems, to include staff costs. This appropriation is subject to the provisions of § 60.2-305, Code of Virginia. Savings as a result of the new systems shall be retained by the commission.

D. Notwithstanding any other provision of law, all fees incurred by the Virginia Employment Commission with respect to the collection of debts authorized to be collected under § 2.2-4806 of the Code of Virginia, using the Treasury Offset Program of the United States, shall become part of the debt owed the Commission and may be recovered accordingly.

E. Workforce development programs shall give priority to assisting Medicaid enrollees who are required to participate in the Training, Education, Employment and Opportunity Program to the extent allowed by federal law.

F. The Governor shall have the authority to alter the administration of the provisions of the Virginia Unemployment Compensation Act, Title 60.2 of the Code of Virginia, to meet the exigencies of a health emergency crisis.

G. The Virginia Employment Commission shall establish and maintain one dedicated full-time customer service position responsible for investigating and responding to legislative inquiries.

*H. Out of this appropriation, $750,000 the second year from the general fund is provided to pay the estimated interest on the federal cash advances for unemployment insurance benefits.*

*I. Out of this appropriation, $9,960,283 the second year from the general fund is provided for personnel and contract costs associated with the increase in customer service support necessary to process the high volume of unemployment insurance claims.*

*J. Out of this appropriation, $5,000,000 the second year from the general fund is provided to incorporate programs authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act into the modernized unemployment system developed under the agency's Unemployment Modernization (UI Mod) Project.*

*K. Out of the amounts in this Item, $300,000 from the general fund in the second year is provided to support the completion of an actuarial study to determine the expected tax rate and other costs for implementing a Paid Family and Medical Leave Program in Virginia. The Commission shall submit the results of this study to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on or before the start of the 2022 General Assembly Session.*

*L. Out of the amounts in this item, $18,973,959 from the general fund in the second year is provided to reimburse the Unemployment Compensation Fund for any forgiven overpayments of state unemployment insurance benefits pursuant to the provisions of House Bill 2040, 2021 General Assembly. Of the amounts included in this paragraph, $250,000 the second year from the general fund is provided to the Commission for administrative costs. The funding provided in this paragraph is contingent on the passage of House Bill 2040, 2021 General Assembly.*