2023 Special Session I

Budget Bill - SB6001 (Introduced)

Virginia Employment Commission

Item 370	First Year - FY2023	Second Year - FY2024
Workforce Systems Services (47000)	**$712,426,719**	**$639,054,137**
Job Placement Services (47001)	$47,856,967	$47,928,392
Unemployment Insurance Services (47002)	$663,622,004	$590,182,648
Workforce Development Services (47003)	$947,748	$943,097
Fund Sources:		
Special	$10,748,905	$10,500,443
Trust and Agency	$701,677,814	$628,553,694

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. Notwithstanding any other provision of law, the Virginia Employment Commission shall compute tax rates by excluding pandemic related claim activity. Any such rate for any employer, may be less than, but shall not exceed the established rate for that employer for Calendar Year 2021. For purposes of this calculation, pandemic related claim activity is defined as all regular Unemployment Insurance claims activity from April 1, 2020, through June 30, 2021. The pool charge shall be computed using this same methodology and set at an amount not to exceed the rate in effect for Calendar Year 2021.

I. Notwithstanding § 60.2-533, Code of Virginia, the fund building rate shall be set for Calendar Year 2023 at a rate not to exceed the rate in effect for Calendar Year 2020.

J. The Virginia Employment Commission (VEC) shall establish and maintain, at a minimum, two dedicated full-time employees to serve in the Office of the Unemployment Compensation Ombudsman. The Commission shall submit an initial summary report of facts, findings, and outcomes of the Office of the Unemployment Compensation Ombudsman to the House Commerce and Energy Committee, the Senate Commerce and Labor Committee, the Commission on Unemployment Compensation, and the Governor by November 1, 2022, and provide a status update to each body quarterly. The VEC shall also publish the summary report and subsequent updates on its website.

K. The Virginia Information Technologies Agency (VITA) shall facilitate the audit of VEC's IT security systems, and help identify any necessary IT security improvements. The independent audit shall be completed by a vendor approved by VITA and validate whether VEC's existing IT security systems meet the requirements of the Commonwealth's information security standards.

L. VEC should fully transform all agency IT systems and servers to the state's central IT infrastructure as soon as possible and no later than November 1, 2024. The Virginia Information Technologies Agency shall advise the Chairs of the House Appropriations and Senate Finance and Appropriations Committee on the timing of the transfer of the VEC's IT systems to the state's central IT Infrastructure by November 1, 2022.

M. VEC shall develop a detailed plan that includes specific actions and a timeline to resolve outstanding adjudications and all issues on claims that VEC bypassed in 2020 and 2021. The plan should quantify the numbers and qualifications of new staff needed to resolve these claims, outline the actions planned for hiring needed staff, and identify potential risks and mitigation strategies. The VEC shall submit the plan to the House Commerce and Energy Committee, the Senate Commerce and Labor Committee, the Commission on Unemployment Compensation, and the Governor by November 1, 2022, and provide a status update to each body quarterly. The VEC shall also publish the plan and subsequent updates on its website.

N. VEC shall regularly collect feedback on the usability of the new Unemployment Insurance benefits information technology system from claimants and employers and make regular improvements to the system that address such feedback. The VEC shall submit an initial plan to the House Committee on Commerce and Energy, the Senate

Committee on Commerce and Labor, the Commission on Unemployment Compensation, and the Governor on how it will collect and report this information to the General Assembly on or before November 1, 2022. The VEC shall provide a summary of user feedback and planned and completed system changes to the House Committee on Commerce and Energy, the Senate Committee on Commerce and Labor, the Commission on Unemployment Compensation, and the Governor by November 1, 2023 and at the end of each quarter. The VEC shall also publish this information, and subsequent, updates on its website.

O. VEC shall (i) review U.S. Department of Labor (DOL) guidance and model legislation regarding redesigned work-search requirements; (ii) evaluate the potential impacts that adopting DOL's guidance would have on incorrect payments and other aspects of VEC's work (e.g., reemployment); and (iii) propose changes to the state's work search policies as needed. VEC shall report the results of this review and any proposed legislative changes to the House Committee on Commerce and Energy, the Senate Committee on Commerce and Labor, the Commission on Unemployment Compensation, and the Governor by February 1, 2023. The VEC shall also publish these results, and subsequent updates, on its website.