

Department of Planning and Budget

2001 Fiscal Impact Statement

1. Bill Number HB1968

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Keister

3. Committee Labor and Commerce

4. Title Unemployment benefits

5. Summary/Purpose: The bill provides that the amount an individual can earn in part-time wages before his unemployment benefits are offset, would increase from the current \$25 to half of the individual's weekly benefit amount. Also, the amount an individual can earn in part-time wages and still be considered eligible for unemployment benefits would increase from the amount of his weekly benefit to one and one half times his weekly benefit.

6. Fiscal Impact Estimates are preliminary:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	-	-
2001-02	\$4,448,019	-	NGF
2002-03	\$4,448,019	-	NGF

7. Budget amendment necessary: None.

8. Fiscal implications: The expenditure impact is based upon the actual benefit offsets for part-time wages in calendar year 2000. However, many individuals do not file for benefits in a week in which their part-time wages equals or exceeds their benefit amount. Therefore, the above figure does not take into consideration the number of individuals who do not currently file, but would file under the proposed change in the law. The total impact represents the costs associated with the increase in allowable earnings (\$984,580 each year) and the costs associated with increasing the amount earned, \$25 to one-half of the individual's weekly benefit amount, before benefits are offset (\$3,463,439).

The effect of the bill on overall unemployment taxes is indeterminable because the impact on the Unemployment Trust Fund is too small to have an immediate and measurable impact on employer taxes. However, employer taxes would likely increase in the out-years.

9. Specific agency or political subdivisions affected: Virginia Employment Commission.

10. Technical amendment necessary: No.

11. Other comments: None.

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cc: Secretary of Commerce and Trade

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