

## Department of Planning and Budget 2014 Fiscal Impact Statement

**1. Bill Number:** SB18-ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	X Enrolled

**2. Patron:** Commerce and Labor

**3. Committee:** Passed Both Houses

**4. Title:** Unemployment compensation; voluntarily leaving employment to accompany military spouse.

**5. Summary:** Provides that good cause for leaving employment exists if an employee voluntarily leaves a job to accompany the employee's spouse, who is on active duty in the military or naval services of the United States, to a new military-related assignment established pursuant to a permanent change of duty order from which the employee's place of employment is not reasonably accessible. The measure applies only if the state to which the spouse is transferred has a similar provision, unless the transfer involves members of the Virginia National Guard relocated within the Commonwealth. Benefits paid to qualifying claimants shall be charged against the pool rather than against the claimant's employer.

The enactment clause contains the following: that Chapter 878 of the Acts of Assembly of 2009 is repealed, that the provisions of the first enactment of this act shall expire on December 31, 2020, and the Commission shall provide reports on 1) the number of claims that are paid, 2) the effect of the payment of such claims on the solvency level and balance of the Unemployment Trust Fund, and 3) the effect of such claims on pool taxes paid by employers in the Commonwealth.

**6. Budget Amendment Necessary:** Yes, Item 121 (HB30/SB30). The Senate budget provides nongeneral fund appropriation for the implementation of this bill. If a budget amendment is not provided, then the nongeneral fund appropriation could be provided administratively. The General Provisions Section of the Appropriation Act authorized the Director of the Department of Planning and Budget to appropriate nongeneral funds.

**7. Fiscal Impact Estimates:**

**7a. Expenditure Impact:** Unemployment Trust Fund (benefits paid)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014			
2015	\$1,900,000	N/A	NGF
2016	\$1,800,000	N/A	NGF
2017	\$1,700,000	N/A	NGF
2018	\$1,800,000	N/A	NGF

2019	\$1,800,000	N/A	NGF
2020	\$1,900,000	N/A	NGF

**7b. Revenue Impact: Unemployment Taxes**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$0	N/A
2015	\$0	N/A
2016	\$0	N/A
2017	\$0	N/A
2018	\$1,800,000	NGF
2019	\$1,100,000	NGF
2020	\$1,800,000	NGF

- 8. Fiscal Implications:** The Virginia Employment Commission (VEC) estimates that by providing unemployment benefits to trailing spouses of military personnel will increase the unemployment tax cost per employee by an average of \$0.40 over an eight-year average.

VEC notes that the cost of the additional reporting requirements could be absorbed with existing resources.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.

Date 03/07/2014  
SB18ER.doc/jlm

cc: Secretary of Commerce and Trade