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HOUSE JOINT RESOLUTION NO. 49

Offered January 13, 2010

Prefiled January 11, 2010

Directing the Joint Legislative Audit and Review Commission to study the overpayment of unemployment compensation benefits as a result of administrative errors by the Virginia Employment Commission. Report.

Patrons—Merricks, Armstrong and Marshall, D.W.; Senator: Hurt

Referred to Committee on Commerce and Labor

WHEREAS, many Virginians who have received unemployment compensation benefits have learned that, through no fault of their own, they are required to repay benefits to which they were not entitled as a result of overpayment errors made by the Virginia Employment Commission (VEC); and

WHEREAS, § 60.2-633 of the Code of Virginia provides that any person who has received any sum as benefits under this title to which he was not entitled shall be liable to repay such sum to the VEC, and the overpayment may be collectible with interest by civil action; and

WHEREAS, § 60.2-633 acknowledges that the recipient of an overpayment due to the VEC's administrative error is required to repay it, and provides that in such cases the VEC shall deduct from future benefits payments 50 percent of the payable amount for any future week of benefits claimed; and

WHEREAS, the U.S. Department of Labor's Benefit Accuracy Management (BAM) program report for calendar year 2007 estimated that nationwide the amount of overpayments attributable to all sources, including claimants, employers, third parties, and state agencies, of unemployment insurance (UI) benefits exceeded \$2.9 billion, or 9.13 percent of total benefits paid; and

WHEREAS, the BAM report indicates that Virginia's 2007 rate of overpayments from all sources was 31.43 percent, or \$120 million; and

WHEREAS, the 2007 BAM data summary estimates that the national rate of overpayments for which a state agency was either solely responsible or shared responsibility was 2.36 percent of all benefit payments; and

WHEREAS; the U.S. Department of Labor's BAM annual report from 2004 indicates that state agencies were responsible for 14.97 percent of benefit overpayments; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the overpayment of unemployment compensation benefits as a result of administrative errors by the Virginia Employment Commission.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) identify the number of instances of unemployment compensation benefit overpayments occurring in each of the past five years and the aggregate amount of such overpayments; (ii) identify the number of such overpayments, and the aggregate amount thereof, that resulted from administrative error by the Virginia Employment Commission; (iii) determine the amount of the overpayments described in clause (ii) that has been recovered from the payees; (iv) identify the causes of the Virginia Employment Commission's administrative errors resulting in overpayments of benefits; and (v) recommend measures to prevent the causes of such administrative errors, including means of making responsible parties accountable for such errors.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Virginia Employment Commission. All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2010, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2011 Regular Session of the General Assembly. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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