

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: SB266

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

2. Patron: Stanley

3. Committee: Commerce and Labor

4. Title: Unemployment benefits; financial literacy course; volunteer service.

5. Summary: Allows recipients of unemployment benefits to extend their benefits through completion of a financial literacy course and volunteer service at a nonprofit organization.

6. Budget Amendment Necessary: Yes, Item 121 (HB30/SB30).

7. Fiscal Impact Estimates: Preliminary, see Item 8.

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

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014			
2015	\$13,000,000	N/A	NGF
2016	\$12,300,000	N/A	NGF
2017	\$12,000,000	N/A	NGF
2018	\$12,200,000	N/A	NGF
2019	\$12,500,000	N/A	NGF
2020	\$12,800,000	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	\$4,500,000	NGF
2017	\$8,100,000	NGF
2018	\$12,100,000	NGF
2019	\$14,600,000	NGF
2020	\$11,700,000	NGF

- 8. Fiscal Implications:** The number claimants participating in the financial literacy course and volunteer service cannot be determined. However, the estimates are based on five percent of the claimants participating in the financial literacy course (2 weeks) and volunteer service (eight weeks) and qualifying for a total of ten weeks of eligibility. The Virginia Employment Commission (VEC) estimates that by providing unemployment benefits to claimants participating in the financial literacy course and volunteer service could increase the unemployment tax cost per employee by an average of \$3.58 over an eight-year (2016-2023) average.

It should be noted, however, that if the rate of claimants participating in the financial literacy course and volunteer service is 15 percent, then benefit payments could reach \$39.2 million in 2015 and \$34.4 million in 2016, taxes could increase to \$11.4 million in 2016, and the average per employee tax over the eight-year period (2016-2023) could be \$11.21.

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

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** It is unclear, at this time, if this bill conforms to federal requirements. The Virginia Employment Commission is reviewing the legislation in comparison to federal unemployment requirements, and is waiting on written confirmation.

Date 01/10/2014
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cc: Secretary of Commerce and Trade