

Department of Planning and Budget 2016 Fiscal Impact Statement

1. **Bill Number:** HB455

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

2. **Patron:** Davis

3. **Committee:** Commerce and Trade

4. **Title:** Virginia Employment Commission work group to develop recommendations.

5. **Summary:** Requires the Virginia Employment Commission (VEC) to convene a work group to develop recommendations regarding the allocation of responsibility for unemployment benefit charges among the claimant's employers. The work group shall review alternatives to the existing requirement that the benefit charges associated with a claimant's receipt of unemployment compensation payments are deemed to be the responsibility of the claimant's most recent 30-day employer. The work group will include representatives of organizations representing the interests of large and small employers, organizations representing the interests of employees, and other stakeholders.

6. **Budget Amendment Necessary:** Yes, Item 126 (HB30/SB/30)

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	N/A	N/A	N/A
2017	\$95,000	N/A	NGF
2018	\$0	N/A	N/A
2019	\$0	N/A	N/A
2020	\$0	N/A	N/A
2021	\$0	N/A	N/A
2022	\$0	N/A	N.A

8. **Fiscal Implications:** According to the Virginia Employment Commission, there would be a cost to hire a contractor to conduct research and write the report, as well as costs for staff devoted to this work group. The estimated cost is \$95,000. This expenditure is not an allowable charge to the commission's federal base grant funding. Because of the reduction in federal base funding (as a consequence of lower unemployment levels), more reliance is being placed on the use of special funds to fill this void and to continue to provide service. Thus, special funds are not available to address the costs associated with hiring a contractor and staffing the workgroup.

A summary of the work of the work group and any preliminary recommendations is due to the Commission on Unemployment Compensation by December 15, 2016, and the final report is due to the Governor and the General Assembly by January 1, 2017,

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

10. Technical Amendment Necessary: No.

11. Other Comments: In 2005, a similar proposal was considered (Report Document No. 14, Publication Year 2005).

Date: 01/19/2016 /jlm

C: Secretary of Commerce and Trade.