

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB1436

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

2. Patron: Head

3. Committee: Commerce and Labor

4. Title: Unemployment compensation; wage offset.

5. Summary: Provides that the weekly unemployment benefit to which an eligible individual is entitled shall be reduced by one-half of the amount of any wages payable to the individual. Currently, such individual's weekly benefit amount is reduced on a dollar-for-dollar basis by any wages in excess of \$50 that the individual earns in that week.

6. Budget Amendment Necessary: Yes. Item 126 (HB1500/SB900)

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$0	0	n/a
2018	\$2,200,000	0	NGF
2019	\$2,400,000	0	NGF
2020	\$2,400,000	0	NGF
2021	\$2,400,000	0	NGF
2022	\$2,600,000	0	NGF
2023	\$2,600,000	0	NGF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	\$0	n/a
2018	\$0	n/a
2019	\$900,000	NGF
2020	\$2,300,000	NGF
2021	\$1,500,000	NGF
2022	\$10,500,000	NGF
2023	\$6,100,000	NGF

8. Fiscal Implications: The Virginia Employment Commission (VEC) estimates that paying unemployment insurance for individuals employed in part-time employment during at least one-half of the weeks during their base period and are seeking part-time work will increase the unemployment tax cost per employee by an average of \$0.93 over an eight-year average. This tax "revenue" would be paid by employers to the Unemployment Trust Fund. The bill

also would decrease the solvency of the Unemployment Insurance Trust Fund by an average of one percent in each of the eight years.

A budget amendment is needed to provide sufficient appropriation for expenditures from the Unemployment Trust Fund.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.