

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB143

| | | | |
|------------------------|---------------------------------------|-------------------------------------|--|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

2. **Patron:** Ware

3. **Committee:** Passed Both Houses

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

5. **Summary:** Repeals the sunset provision on the current statutory provision that 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. This provision will presently expire on December 31, 2020.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Final. See Item 8.

Expenditure Impact: Unemployment Insurance Trust Fund (benefits paid)

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2020 | \$ 683,443 | 0 | NGF |
| 2021 | \$ 693,023 | 0 | NGF |
| 2022 | \$ 709,220 | 0 | NGF |
| 2023 | \$ 716,485 | 0 | NGF |
| 2024 | \$ 723,761 | 0 | NGF |
| 2025 | \$ 725,364 | 0 | NGF |
| 2026 | \$ 592,843 | 0 | NGF |

8. **Fiscal Implications:** It is anticipated that there will be an expenditure impact as a result of this bill to the Virginia Employment Commission (VEC) in benefits paid from the Unemployment Insurance (UI) Trust Fund. The Expenditure Impact table, above, provides estimates on projected benefit payments from FY2020-2026.

The actual costs of the military trailing spouse has been, as follows: FY2015 - \$658,597; FY2016 - \$231,050; FY2017 - \$722,720; FY2018 - \$652,705; FY2019 - \$747,101.

It is anticipated that there will be no revenue impact as a result of this bill, as the negligible effect the trailing spouse has on the UI Trust Fund is offset by interest earned on the UI Trust Fund and has no impact on base tax rates or pool taxes.

The UI tax is collected by VEC and does not impact the Department of Taxation.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.