

## Department of Planning and Budget

### 2021 Fiscal Impact Statement

**1. Bill Number:** HB2037

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

**2. Patron:** Tran

**3. Committee:** Appropriations

**4. Title:** Unemployment compensation; benefits; suitable work; benefits charges.

**5. Summary:** Provides that, under specific conditions related to the COVID-19 virus, work will not be deemed suitable and benefits will not be denied to any otherwise eligible individual for refusing to accept new work if, to the extent permissible by federal law, the individual presents satisfactory evidence that such individual (i) has tested positive for COVID-19, (ii) has been otherwise directed by a physician to quarantine due to COVID-19, or (iii) is providing care for an immediate family member who has tested positive for COVID-19. For the purposes of this subdivision, "immediate family member" includes a parent, spouse, natural or adopted child living in the individual's household, or foster child whose care has been entrusted to the individual; or if the individual has a reasonable belief, based on satisfactory evidence, that the workplace is unsafe because it does not meet governmental-mandated COVID-19 health and safety standards for the workplace, including standards issued by the U.S. Occupational Safety and Health Administration, the Department of Labor and Industry, or the Department of Health, or through an executive order or directive issued by the Governor. The bill provides, that for individuals who refuse to accept an offer of work based on such conditions, no benefits charges will be deemed to be the responsibility of the previous employer, unless the individual has refused an offer to return to work to his previous employer because the individual has a reasonable belief that the workplace is not in compliance with the U.S. Occupational Safety and Health Administration, the Department of Labor and Industry, or the Department of Health standards for the prevention of COVID-19. The provisions of the bill expire 30 days after the expiration or revocation of all states of emergency declared by the Governor related to the COVID-19 pandemic.

**6. Budget Amendment Necessary:** See Item 8.

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

**8. Fiscal Implications:** This bill has an indeterminate expenditure impact on the Virginia Employment Commission's (VEC) Unemployment Insurance Trust Fund (Trust Fund) as VEC does not have a reliable way to estimate (i) the number of businesses that will fail to meet safety standards in relation to COVID-19, (ii) the average benefit amount of those who cannot work for COVID-19 related reasons, and (iii) the length of time COVID-19 will be a concern for Virginia workers.

This bill also has an indeterminate impact on tax revenue to the Trust Fund. Since the expenditure impact cannot be estimated, neither can the impact of those benefit charges on future tax rates.

According to the Department of Human Resource Management, the impact of this bill on state employers is indeterminate.

The Department of Labor and Industry (DOLI) may get calls about the interpretation of the statute. DOLI has received slightly less than 1,000 calls or inquiries related to COVID for the last month, which is the only month DOLI has access to data at this time. DOLI anticipates the agency will be able to handle any additional calls related to this bill with current resources.

Additionally, DOLI has received over 1,000 COVID complaints or requests for inspection since the Emergency Temporary Standard (ETS) was promulgated by the Virginia Safety and Health Codes Board. DOLI has also received a significant number of referrals from the Virginia Department of Health regarding the reporting data required by both agencies under the ETS.

This bill will not result in an impact to Virginia's Medicaid program.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission; Department of Labor and Industry; Department of Human Resource Management; all state agencies.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.