

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB769

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

2. Patron: Reeves

3. Committee: Finance and Appropriations

4. Title: Unemployment compensation; program integrity.

- 5. Summary:** The substitute bill requires the Virginia Employment Commission to conduct all mandatory and recommended program integrity activities as identified by the U.S. Department of Labor Employment and Training Administration and the U.S. Department of Labor Office of Inspector General. The Commission shall report by December 1 of each year to the Commission on Unemployment Compensation addressing the implementation and enforcement of the provisions of this section. Further, the bill requires the Commission to recover any improper overpayment of benefits to the fullest extent authorized by this title and federal law. Lastly, the bill provides that the Department of Social Services, the Department of Medical Assistance Services, and the Department of Housing and Community Development, upon receipt of notification that an individual enrolled in any of such department's public assistance programs has become employed, shall notify the Commission of such fact in order for the Commission to determine the individual's eligibility for benefits. This requirement may be satisfied by providing the Commission a weekly report that reflects the change in employment status for all affected program enrollees.

The bill has an effective date of January 1, 2023.

6. Budget Amendment Necessary: Yes, to Item 350 of HB30/SB30 as introduced.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact: Department of Social Services

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$90,000	n/a	GF
2023	\$90,000	n/a	NGF

- 8. Fiscal Implications:** This fiscal impact statement is preliminary and does not reflect any fiscal impact this bill may have on the Virginia Employment Commission (VEC) or the Department of Housing and Community Development (DHCD). This impact statement will be updated when additional information is available.

The bill requires the Department of Social Services (DSS), the Department of Medical Assistance Services (DMAS), and the Department of Housing and Community Development

(DHCD), upon notification that an individual enrolled in a public assistance program has become employed, to notify VEC. The bill requires the aforementioned agencies to submit a weekly report to VEC identifying any individual with a change in employment status.

It is anticipated that this bill will result in an expenditure impact to Services DSS. According to DSS, data would need to be sent to VEC each week with information about the clients receiving assistance that had a change in their employment status. However, because of current confidentiality provisions, indicates that the agency cannot send such information without the consent of the client. DSS estimates a incurring a one-time cost of \$180,000 (\$90,000 GF; \$90,000 NGF) to upgrade the agency's Virginia Case Management System (VaCMS) in order to record whether a recipient of public assistance opted out of the federally mandated confidentiality requirements, as well as developing the data transmission method.

DMAS assumes that the weekly report generated by VaCMS would satisfy the bill's notification requirements associated with DMAS programs. Since VaCMS costs are covered by DSS, as the system owner.

DMAS does not expect any fiscal impact.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission; Department of Social Services; Department of Medical Assistance; Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: None.