

### **Review of the Virginia Employment Commission**

WHEREAS, the Virginia Employment Commission (VEC) was established to administer the requirements of key federal laws and policies related to providing temporary financial support to unemployed citizens and increasing employment opportunities through job placement and job training assistance; and

WHEREAS, VEC primarily performs two functions, which are the administration of unemployment insurance benefits and matching job seekers with jobs, both of which are required by the federal government through the Social Security Act and the Wagner-Peyser Act; and

WHEREAS, VEC administers several other workforce programs, including Disabled Veterans Outreach and Trade Adjustment Assistance, and is the official source of labor market information and census data in Virginia; and

WHEREAS, VEC employs about 870 staff across the state, 75 percent of whom are full-time; and

WHEREAS, VEC has three regional offices and 25 local offices located throughout the state through which its staff interact directly with job seekers and employers; and

WHEREAS, VEC is funded entirely with non-general funds, most of which are for the payment of unemployment insurance benefits, and received an appropriation of \$611.6 million in FY17; and

WHEREAS, VEC's vision is to be "Virginia's first choice for workforce services," but matches job seekers with a small minority of available Virginia jobs; and

WHEREAS, audits of VEC's operations by the Auditor of Public Accounts in 2010 and 2014 identified problems with VEC's administration of unemployment insurance benefits and its information security program; and

WHEREAS, the Commonwealth's strategic plan for workforce development calls for structural reforms through consolidating and streamlining workforce services, which could potentially impact VEC's operations; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission (JLARC) that staff be directed to review the operations and performance of the Virginia Employment Commission (VEC). In conducting its study, staff shall (i) evaluate the effectiveness and efficiency of VEC's job placement services in connecting Virginians with employment opportunities and connecting employers with qualified job candidates; (ii) recommend changes to VEC's job training and job placement operations that would improve efficiency and modernization; (iii) evaluate how effectively VEC administers unemployment insurance benefits and how well it balances the interests of employers and benefit recipients; (iv) evaluate how accessible and responsive VEC is to job seekers and employers who seek or could benefit from its services; (v) evaluate the efficiency of VEC's physical structure, including the

locations and responsibilities of its local offices; (vi) evaluate how effectively VEC uses technology and information systems to administer its programs and whether it appropriately safeguards sensitive information; (vii) evaluate the overall performance and management of the VEC central office, including how well it collaborates with state and local government agencies; (viii) make recommendations as necessary; and (ix) review other issues as warranted.

All agencies of the Commonwealth shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of state agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to this statutory authority.

JLARC staff shall complete their work and submit a report of findings and recommendations to the Commission by December 10, 2019.