

UNEMPLOYMENT INSURANCE

Operations and Performance of the Virginia Employment Commission, 2021

POLICY OPTIONS TO CONSIDER

Staff typically propose policy options rather than make recommendations when (i) the action is a policy judgment best made by elected officials—especially the General Assembly, (ii) evidence suggests action could potentially be beneficial, or (iii) a report finding could be addressed in multiple ways.

State call center augmentation contracts ► The General Assembly could include language in the Appropriation Act directing the Department of General Services (DGS) and the Virginia Information Technologies Agency (VITA) to assess agencies' need for call center staff augmentation, ensure that contractual solutions to meet those needs are in place, and report steps taken and available solutions to the House Appropriations Committee and the Senate Finance and Appropriations Committee by December 31, 2022. (Option 1)

Tying UI benefits levels to an economic metric ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefits formula to automatically adjust unemployment insurance benefit amounts annually based on a statewide economic metric. (Option 4)

One-time increase in UI benefits amounts ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefits formula to enact a one-time increase in the maximum unemployment insurance benefit amount. (Option 5)

UI benefits dependent allowance ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefit formula to create a dependent allowance that is tied to an economic metric or calculated as a portion of the individual's weekly benefit amount. (Option 6)

Workgroup to review UI benefits policies ► The General Assembly could amend section § 60.2 of the Code of Virginia to authorize the Commission on Unemployment Compensation to convene an advisory committee comprising stakeholders and subject matter experts to (1) review UI benefits, replacement ratios, and reciprocity rates; (2) identify factors that affect UI benefits and reciprocity (e.g., design of UI benefit calculations or UI eligibility criteria); (3) assess the advantages and disadvantages of potential changes to benefits; and (4) recommend to the Commission options to change benefit levels when needed. (Option 7)

Increasing UI taxable wage base ► The General Assembly could amend § 60.2-229 of the Code of Virginia to increase the unemployment insurance taxable wage base. (Option 8)

Increasing minimum UI employer tax rate ► The General Assembly could amend § 60.2-531 of the Code of Virginia to increase the minimum base unemployment insurance tax rate for all employers, to a new rate between 0.01 percent and 0.07 percent. (Option 9)

Increasing maximum base UI employer tax rate ► The General Assembly could amend § 60.2-531 of the Code of Virginia to increase the maximum base unemployment insurance tax rate. (Option 10)