Review of the Virginia Employment Commission

Authorized by the Commission on November 16, 2020

WHEREAS, the economic losses due to the COVID-19 pandemic led to historically high unemployment benefits claims in the United States and Virginia, and Virginia's monthly unemployment rate rose sharply from 3.3% in March 2020 to 10.8% in April 2020, declining to 6.1% in August 2020; and

WHEREAS, the Virginia Employment Commission (VEC) is the state agency responsible for administering the Unemployment Insurance (UI) program, including receiving and processing unemployment benefits claims and issuing payments; and

WHEREAS, citizens have expressed frustration with their inability to navigate VEC's unemployment benefits claims process, successfully file benefits claims, and receive benefits in a timely manner; and

WHEREAS, efforts to modernize the information technology systems VEC uses to operate the unemployment insurance program have been delayed; and

WHEREAS General Assembly members introduced budget amendments during the 2020 Special Session to (i) create within VEC a team of IT experts to help fulfill the agency's mission and (ii) enable VEC during a declared state of emergency to redirect staff resources normally dedicated to collecting benefit overpayments of less than $500; and

WHEREAS, VEC also administers key federal laws related to increasing employment opportunities through job placement and job training assistance, and demand for such assistance has increased because of COVID-19's economic impacts; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the operations of the Virginia Employment Commission.

In conducting its study, staff shall (i) evaluate the impacts of the COVID-19 pandemic on VEC's operations and staffing; (ii) evaluate the timeliness and effectiveness of the operational and staffing changes VEC implemented in response to the pandemic; (iii) evaluate how VEC's UI operations are supervised and led; (iv) evaluate the IT systems used to receive, review, and process unemployment insurance claims and respond to customer inquiries; (v) evaluate the effectiveness of VEC's coordination with the Virginia Information Technologies Agency; (vi) examine the upfront and ongoing costs and cost savings of creating a core team of IT experts within the agency; (vii) identify opportunities to improve customer service, including ways to increase automation and improve customer call-back protocols; (viii) compare Virginia's UI benefit amounts to benefit amounts provided by other states; (ix) evaluate the efficiency and fairness of the unemployment insurance appeals process; (x) determine how VEC has used additional federal funding made available to states during the pandemic; (xi) quantify the frequency and volume of benefit overpayments that are less than $500 and the VEC staff resources dedicated to their collection; (xii) evaluate VEC's ability to

connect out-of-work Virginians with meaningful employment opportunities; and (xiii) determine whether additional funding is needed to enable VEC to enhance its operations to a standard that reasonably meets the public's needs and expectations.

JLARC shall make recommendations as necessary and review other issues as warranted.

All agencies of the Commonwealth, including the Virginia Employment Commission, the Auditor of Public Accounts, and the Virginia Information Technologies Agency 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 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 its statutory authority.