

**COMMISSION ON UNEMPLOYMENT COMPENSATION**  
**EXECUTIVE SUMMARY OF 2023 INTERIM ACTIVITY AND WORK**

March 2024

**I. BACKGROUND**

Chapter 33 (§ 30-218 et seq.) of Title 30 of the Code of Virginia establishes the Commission on Unemployment Compensation (the Commission). The Commission is charged with:

- Evaluating the impact of existing statutes and proposed legislation on unemployment compensation and the Unemployment Trust Fund (the trust fund);
- Assessing the Commonwealth's unemployment compensation program and examining ways to enhance effectiveness;
- Monitoring the current status and long-term projections for the trust fund; and
- Reporting annually its findings and recommendations to the General Assembly and the Governor.

The Commission's membership is composed of Senators Adam P. Ebbin and Jennifer B. Boysko and Delegates R. Lee Ware, Elizabeth B. Bennett-Parker, and Chris Runion. Senator Ebbin chairs the Commission, and Delegate Ware serves as the Commission's vice-chairman.

The Commission met on December 6, 2023. Although § 30-220 of the Code of Virginia requires that the Commission meet at least two times per year, a second meeting was not held as a result of scheduling difficulties.

The Commission's Unemployment Insurance Subcommittee (UI Subcommittee), established pursuant to § 30-222, met on July 18, 2023. At such meeting, Carrie Roth, Commissioner of the Virginia Employment Commission, presented updates on the Commonwealth's Unemployment Insurance program.

This executive summary of the interim activity and work of the Commission is submitted pursuant to § 30-224 of the Code of Virginia and is provided in lieu of an annual report.

**II. ISSUES ADDRESSED**

**1. Status of the Unemployment Trust Fund**

Jeff Ryan, Chief Deputy Commissioner of the Virginia Employment Commission (VEC), provided an update on the VEC's operations, trust fund, and taxes. The trust fund's balance on January 1, 2022, was \$1.019 billion and was \$1.478 billion on January 1, 2023. From a fiscal year perspective, the balance in the trust fund increased from \$1.425 billion on June 30, 2022, to \$1.546 billion on June 30, 2023. Between those dates, the trust fund's solvency level remained at 55 percent.

**2. Claims and Employment Data**

There were a total of 122,997 initial claims for unemployment benefits for the first eleven months of 2023, and the total initial claims amount for 2023 was expected to fall below the 165,937 initial claims filed in 2022 and to be around ten percent of the peak amount of 1,369,045 initial claims filed in 2020. The VEC's first pay rate, which is the percentage of claims that are

paid within 21 days of filing, was 65.8 percent from July to September of 2023 and was the VEC's highest first pay rate over the past two years.

Virginia's labor force participation rate has increased from 64.8 percent in 2022 to 66.3 percent in 2023. The unemployment rate in Virginia during October 2023 was 2.7 percent.

### 3. Program Updates

Since January 2022, the VEC has completed over 300,000 work items and has cleared the adjudication backlog that correlated with the onset of the COVID19 pandemic in 2020. The backlog of first level appeals remains, with 44,783 dockets remaining. The VEC anticipates that it will complete these dockets within the next fiscal year. The VEC has undertaken to improve customer service by updating the technology used in its call center and creating an outbound calling team to resolve claim issues as they arise.

### 4. Legislation Recommended

The Commission voted to recommend the following legislation for the General Assembly's 2024 legislative session:

**Senate Bill 381 and House Bill 14: Unemployment compensation; employer failure to respond to requests for information; claim determination; notice requirements.** Provides that an employer's failure to respond timely or adequately to a written request for information relating to an unemployment claim results in a waiver of all of such employer's rights in connection with the claim, including participation and appeal rights, unless such employer demonstrates that good cause exists for such failure. The bill requires the Virginia Employment Commission to provide written notice for each instance of untimely or inadequate employer response to such requests and specifies that such notice may be delivered through the Employer Self-Service Tax System website maintained by the Commission. The bill also requires the Commission to provide each employer with information regarding deadlines for timely and adequate responses to such requests. Such provisions of the bill apply to erroneous payments established on or after July 1, 2024. The bill also prohibits a deputy designated by the Commissioner to adjudicate unemployment claims from examining or considering facts contained within an employer's untimely or inadequate response and requires that information or evidence from an employer or third party must be shared with the claimant, who must also be provided a reasonable opportunity to review and respond to such information or evidence. The bill requires such deputy to provide the reasoning behind the decision, as described in the bill, and a short statement of case-specific facts material to the determination together with any notice of determination upon a claim.

**Senate Bill 382: Unemployment compensation; collection of overpayments; limitations.** Provides that collection activities for an overpayment, provided that such overpayment was not caused by fraud on the part of the claimant, shall be suspended and that the Virginia Employment Commission shall determine as uncollectable and discharge the overpayment if it remains unpaid after the earliest of the following: (i) after the expiration of three years from the last day of the benefit year in which the overpayment was made, (ii) immediately upon the death of the claimant, or (iii) upon the claimant's discharge in bankruptcy occurring subsequently to the determination of payment.

### **III. CONCLUSION**

The Commission wishes to express its appreciation for the service by the members Delegate Kathy J. Byron and Senator Lionell Spruill Sr., who did not return for the 2024 Session of the General Assembly.

Materials provided by speakers at the Commission's meetings in the 2023 interim may be found on the [Commission's website](#).