

# 2018-20 Strategic Plan

## Virginia Employment Commission [182]

### Mission

The Virginia Employment Commission provides workforce services to workers and businesses, including job placement, temporary income support, labor market information, and career transition services.

### Vision

Virginia Employment Commission: Virginia's first choice for Workforce Services

### Values

- People
- Accuracy
- Teamwork
- Efficiency

### Finance

#### Financial Overview

Agency Financial Resources Summary:

The Virginia Employment Commission is funded by United States Department of Labor administrative and benefit grants. Unemployment Insurance benefits are paid from the Unemployment Insurance Trust Fund, which is funded through state tax paid by employers. Most non-general funds are appropriated for unemployment benefits.

#### Biennial Budget

|  | 2019<br>General Fund | 2019<br>Nongeneral Fund | 2020<br>General Fund | 2020<br>Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 0                    | 560,608,306             | 0                    | 555,408,306             |
| Changes to Initial Appropriation       | 0                    | 0                       | 0                    | 0                       |

*(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)*

### Customers

#### Anticipated Changes to Customer Base

VEC anticipates changes to our customer volume to closely follow economic activity. Over time, the agency expects a growing demand for workers with technical skills and that customers will expect services that are delivered through multiple channels for service delivery.

#### Current Customer List

| Predefined Group         | User Defined Group  | Number Served Annually | Potential Number of Annual Customers | Projected Customer Trend |
|--------------------------|---|------------------------|--------------------------------------|--------------------------|
| Employer/ Business Owner | Employer Services Customers via Virginia Workforce Connection | 7,981                  | 7,981                                | Increase                 |
| Unemployed               | Job Seekers: Wagner-Peyser and Trade Act Participants         | 44,906                 | 44,906                               | Decrease                 |
| Veteran                  | Veteran Program Participants                                  | 1,693                  | 1,693                                | Stable                   |
| Unemployed               | Unemployment Insurance Initial Claimants                      | 150,822                | 150,822                              | Stable                   |
| Employer/ Business Owner | Unemployment Insurance Tax Customers                          | 217,392                | 217,392                              | Stable                   |

### Partners

| Name | Description |
|------|-------------|
|------|-------------|

|  |  |
|--|--|
| U.S. Department of Labor   | USDOL provides funding and program guidance to VEC. VEC provides state and local labor market information to USDOL.  |
| Virginia Workforce Development Board                             | The VWC oversees workforce development services in the Commonwealth.   |
| One-Stop Career Works Centers                                    | One-Stop Centers offer training referrals, career counseling, job listings, and similar employment-related services.   |
| Local Workforce Development Boards                               | VEC and local WDBs work together to provide services to unemployed workers in specific areas.  |
| Partners under the Workforce Innovation and Opportunities Act    | Workforce Innovation and Opportunities Act (WIOA) partners, which include, but are not limited to: Virginia Department of Rehabilitative Services · Virginia Department of Social Services · Virginia Community College System |
| Virginia Community College System                                | Virginia Community College System is a mandatory one-stop partner, and is the WIA grant recipient for Virginia. VEC refers trade-impacted and other clients to VCCS training programs.   |
| Migrant and Seasonal Farmworker Advisory Board                   | VEC works with MSFW advisory boards to ensure that federal standards for safe working and housing conditions are met.  |
| Executive Branch   | Governor, Secretary of Commerce and Trade, Governor's Office for Workforce Development   |
| Legislature  | VA General Assembly  |
| State and Local Government Entities                              | VEC supplies current labor market information and assists in responding to mass layoffs and plant closings in local areas.   |
| Internal Revenue Service   | VEC partners with IRS to recoup UI overpayments, and to administer programs that provide services to targeted groups of workers.   |
| Business organizations, such as Chambers of Commerce, and others | VEC supplies information about VEC programs and services to existing, new, and prospective employers.  |
| Veterans Employment and Training Services for Virginia (VETS)    | VETS serve Virginia's veterans and separating service members by preparing them for meaningful careers, providing employment resources and expertise, and protecting their employment rights.                                  |
| Voluntary local and state partners in workforce development.     | Examples of voluntary partners include, but are not limited to: Faith-based organizations· Economic development agencies and organizations· Veterans organizations, such as VFW, American Legion, DVA, and others              |

## Agency Goals

- **Maintain the highest level of agency performance, through innovation, efficiency and integrity.**

### Summary and Alignment

VEC is committed to performance at every level of our operation. Performance means delivering accurate, timely and efficient services that put the customer first, prioritize innovation, foster continuous improvement; and employ exemplary stewardship of public resources.

VEC is committed to continually communicating and implementing state and federal policies and procedures to safeguard sensitive information; protecting it against unauthorized use, inspection or disclosure.

### Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

### Associated Societal Indicator

Unemployment

### Objectives

- » **Meet or exceed agency benchmarks for productivity and efficiency.**

#### Description

The agency will continue to execute cost effective solutions that deliver service to our customers at a level that meets their needs in an environment of limited resources.

#### Objective Strategies

- Continually reevaluate business processes for feasibility of additional refinements to facilitate more timely process flow. Implement identified improvement opportunities expeditiously
- Examine additional utilization of available technology in the delivery of services
- Educate all Workforce Services Division Central Office, Customer Contact Center and Virginia Career Works Center staff on performance standards and related requirements
- Recruit, retain, and assign qualified staff to deliver quality customer services based on defined performance standards. Modernize infrastructure to support cost effective service delivery solutions.

- ◆ Average Amount of Overpayment (UI)
- ◆ Cost Per Call per customer service representative assigned to the Customer Contact Center (CCC).

• **Meet or exceed United States Department of Labor performance measure targets for agency programs.**

**Summary and Alignment**

Meeting United States Department of Labor performance measure targets is a key component in delivering timely and accurate service to our customers. The VEC strives to exceed all performance benchmarks and to be recognized as a national leader in workforce development.

**Associated State Goal**

Economy: Be a national leader in the preservation and enhancement of our economy.

**Associated Societal Indicator**

Unemployment

**Objectives**

- » **Meet or exceed the United States Department of Labor (DOL) standard of 87 percent for first payments of unemployment insurance benefits made within 14 days of the first compensable week.**

*Description*

Created by the Social Security Act of 1935, the unemployment insurance system is administered by each state, the District of Columbia, Puerto Rico, and the Virgin Islands with oversight by the U.S. Department of Labor. Federal law provides the guidelines; however, the 53 jurisdictions determine many requirements related to eligibility and benefit levels. Alleviating hardship, the system's primary aim, is accomplished by partly replacing the lost wages in a timely and efficient manner for unemployed individuals who have a demonstrated attachment to the workforce and are unemployed through no fault of their own.

*Objective Strategies*

- Reevaluate business processes for feasibility of additional refinements to facilitate more timely process flow.
- Examine additional utilization of available technology in the delivery of Unemployment Insurance Services.
- Educate all Workforce Services Division staff of Central Office, Customer Contact Centers and Virginia Career Works Centers on performance standards and related requirements.
- Recruit, retain, and assign qualified staff to deliver quality customer services based on defined performance standards.

*Measures*

- ◆ Percent of first-time unemployment insurance (UI) payments made on time

• **Be a leader in the development and implementation of the state workforce system under the U.S. Workforce Innovation and Opportunity Act (WIOA).**

**Summary and Alignment**

A well-prepared, skilled, and available workforce is among the most critical factors in economic growth. By developing a seamless and integrated workforce development system, the VEC will utilize and leverage its resources to provide a single point of entry for employers, workers and job seekers. The workforce development system will eliminate duplication of services, enhance participation, accommodate the demand needs of employers and improve customer satisfaction.

**Associated State Goal**

Economy: Be a national leader in the preservation and enhancement of our economy.

**Associated Societal Indicator**

Unemployment

**Objectives**

- » **Provide employers and job seekers with workforce development solutions, based on sector demand, that contribute to the growth of Virginia's economy.**

*Description*

Measure and report the number of unemployed job seekers who successfully obtain and retain new employment after receiving Wagner-Peyser job placement services. This objective demonstrates the effectiveness of VEC efforts to match qualified job seekers with Virginia's employers. This objective also aligns with the second of the eight stated long-term objectives for Virginia: Be a national leader in the preservation and enhancement of our economy.

*Objective Strategies*

- Provide continuous professional development for VEC Workforce Services Division staff. Continually seek to improve the

effectiveness of VEC workforce services. Continually strive to better understand the business needs of the Virginia employer community, and to meet those needs through innovative approaches to the realities of workforce service. • Promote workforce and economic development collaboration to develop and identify job placement and job referral opportunities for job seekers and employers. • Establish system strategies for better resource utilization. • Recruit and retain a workforce that meets the demands of a dynamic economy.

#### Measures

- ◆ Percentage rate of job seekers who enter employment after receiving services from the agency.

## Major Products and Services

The Virginia Employment Commission provides employers and job seekers with universal access to workforce services that assist in both securing and retaining employment, and finding qualified workers to fill jobs.

As a lead partner in the state workforce system, the VEC administers the following workforce programs:

- Employment Services
- Unemployment Insurance (UI) Services
- Reemployment Services Orientation program and Reemployment Services and Eligibility Assessment (RESEA) program
- Disabled Veterans Outreach Program and Local Veterans Employment Representative programs
- Trade Adjustment Assistance program
- Work Opportunity Tax Credit (WOTC) program
- Migrant and Seasonal Farm Workers and Foreign Labor Certification Program

The VEC provides job seekers with universal access to services designed to prepare them for job search, job advancement, and/or career change. Veterans of military service who are seeking employment receive priority of services.

The VEC provides Trade Program participants and veterans with career services and Unemployment Insurance services; and referrals to services of other partner agencies in the One Stop system. Eligible Trade Program participants may receive training to develop in-demand employment skills.

The VEC conducts outreach to veterans who could benefit from intensive job skills services, and markets these services to potential clients.

The **Virginia Workforce Connection (VWC)** is VEC's online customer portal. Through the VWC, job seekers and employers enjoy a modern, integrated and efficient experience. Employers have access to one of the state's largest pools of qualified workers, job seekers and business-related services to support their workforce and economic development needs. Job seekers may simultaneously apply for Unemployment Insurance benefits and register for job seeker services.

For Job Seekers, VWC provides users with access to a comprehensive array of tools, including

- Seamless, simultaneous application for Unemployment Insurance benefits and registration for reemployment assistance (including Wagner-Peyser job services and Reemployment Services and Eligibility Assessment).
- Ability to file for weekly Unemployment Insurance benefits online
- Real-time chat availability for customers with questions concerning the navigation of the initial claim or continuing claim process
- Targeted and user-specified search of the most current and comprehensive job listings and postings available
- Career qualification assessment tools and training referrals
- Automated, personalized notification of new employment opportunities in real time

For Employers, VWC provides users with

- The ability to post current job openings at their convenience, 24 hours a day, 365 days per year.
- The ability to search an expansive database of qualified candidates and review their active resumes.
- The ability to access the Daily Virtual Recruiter Candidate Resume Notification system, which allows an employer to be notified when new resumes have been created which meet their specific search criteria.

The Virginia Workforce Connection is accessible at Virginia Career Works Centers and via the Internet. All other VEC sponsored web accessible information systems are available on the VEC website.

The VWC also provides Labor Market Information (LMI) to a broad spectrum of users. The Virginia Employment Commission provides a number of strategic business services through LMI. The VEC provides LMI as a product that is available to the general public, the Governor and other legislative customers, the Virginia Board of Workforce Development, Local Workforce Development Boards, State Agencies, the United States Department of Labor (USDOL), and other governmental entities.

In addition to LMI, the Economic Information & Analytics (EIA) Division of the VEC provides a number of products and services such as:

- Local Area Unemployment Statistics
- Quarterly Census of Employment and Wages

- Current Employment Statistics
- Occupational Employment Statistics

## Performance Highlights

VEC performance measures are tied to its mission and strategic goals and objectives.

VEC provides services in three service areas:

- Employment Services
- Unemployment Insurance Services
- Economic Information Services.

Performance in the three service areas supports the agency's strategic plan goals:

- Contribute to the development and implementation of the state workforce system
- Develop a high performance and customer focused agency workforce
- Strengthen and expand the agency's internal and external communications
- Create efficient and aligned business processes and service delivery systems

## Staffing

|   |     |
|---|-----|
| Authorized Maximum Employment Level (MEL) | 865 |
| Salaried Employees                        | 666 |
| Wage Employees                            | 149 |
| Contracted Employees                      | 9   |

## Key Risk Factors

Grants are flat but adequate for the upcoming fiscal year, with the exception of Unemployment Insurance (UI). VEC has been officially notified by USDOL that the FFY 19 UI grant will be cut by \$1.8 million.

Ongoing budget reductions and office closures limits VEC's ability to serve customers and can generate objections from the general public and legislative members. VEC has worked to address these challenges in a proactive manner, but there are limits without resources.

The current economic cycle has experienced an extended period of growth. The potential for a recession, although not imminent, does exist and will increase in likelihood over time. VEC has contracts in place to expand call center operations in the event this occurs, but time is a factor in the implementation of these solutions.

## Management Discussion

### General Information About Ongoing Status of Agency

Future Direction, Expectations, and Priorities

Increasing need for workforce system building and program consolidation and coordination, requires VEC to be responsive to these issues and directives. The key principles in building the workforce system are: flexibility in responding to the labor market needs; streamlined services; empowering customers; universal access; stronger private sector role; and greater state and local accountability.

Services must be streamlined by integrating multiple employment and training programs with partners at the state and local level. VEC continues to work to maintain alignment between available funding and expenses. This includes marketing of lower-cost methods of service delivery such as on-line and phone-based services. The VEC also uses opportunities to improve service to customers by reviewing, improving and realigning business processes through a variety of means including technology initiatives. For instance, IT modernization will allow the agency to replace antiquated mainframe systems that administer the unemployment insurance system with a web based solution. This new solution will offer customers a wide variety of highly effective self-service options that improve customer satisfaction and agency costs.

## Information Technology

## Factors Currently Impacting IT:

- VITA/NG Transformation. VEC continues to go through transformation, and the agency is currently making major progress in this effort.
- Lower Federal Funding and Increased Cost. The VEC is wholly funded by grants from the U.S. Department of Labor. With any federal budget reductions, the VEC has fewer funds available to operate its programs.

## Estimate of Technology Funding Needs

### Workforce Development

VEC's employment level has declined as the need for staff has been reduced with improvements in the economy. This helps to ensure staffing levels more appropriately align to available resources. Classified staff continue to be supplemented by wage employees and contractors. As the agency modernizes its systems, staff will be supported with advanced training and efforts will be made to recruit and retain staff with the skills needed for the future.

### Physical Plant

VEC continues maintenance projects to properly maintain the six facilities it owns. The agency intends to downsize and relocate some facilities as necessary to provide services through the Virginia Career Works Centers. Furthermore, the agency continues efforts to relocate Headquarters to a smaller more cost effective footprint that will support the agency's needs for years to come.

## Supporting Documents

**Title**

**File Type**

**Job Placement Services [47001]****Description of this Program / Service Area**

## Service Area Description

The Workforce Services Division implements programs and processes that provide assistance to employers who are seeking to hire qualified workers, and to workers who are seeking employment.

- Employment Services (or Job Services), established by the Wagner-Peyser Act, makes available job search assistance to individuals, and recruiting and referral services to employers. Services to employers include screening and referring applicants for job vacancies, and providing critical labor market information for business and economic planning. Employers may participate in local Employer Advisory Committees in order to become aligned closer with VEC and give feedback on the delivery of services.
- Services to workers include job referral and placement, referral to training, and job search skills building activities. Services are available universally to anyone eligible to work in the United States.
- VEC leverages resources to administer special programs and services for job seekers and employers that provide job placement services for special groups, including:
  - Veterans Programs. Through the Local Veterans Employment Representative (LVER) Program and Disabled Veterans Outreach Program (DVOP), VEC provides case management, placement assistance, and transition services for veterans of military service. Veterans of the U.S. military receive priority of service, in accordance with Federal law and regulations, in all of the job placement services.
  - Trade Adjustment Assistance (TAA) Program. TAA provides assistance to workers and businesses who are impacted by U.S. import/export policies that result in downsizing a workforce or going out of business, including: case management, placement assistance, training, and income support.
  - Foreign Labor Certification Program provides services to employers and to agricultural and non-agricultural foreign workers seeking temporary or permanent employment.
  - Work Opportunity Tax Credit Program provides services to employers who hire employees and veterans from various target groups with significant barriers to employment.
  - Provision of services to migrant and seasonal farm workers.

Also included are the administrative and staff resources necessary to support the functions of this service.

**Mission Alignment**

The federal Workforce Innovation and Opportunity Act (Public Law 113-128), the Wagner-Peyser Act (29 U.S.C. 49) and Section 60.2 - 113 of the Code of Virginia authorize the establishment of and requirements for VEC Job Placement Services. Workforce Services directly aligns with the VEC's mission of promoting economic growth and stability in the Commonwealth by providing job placement assistance and services. To accomplish the mission, staff will be empowered and given opportunities to develop and enhance their skills, and innovative ways to use technology to enhance the delivery of services to employers and job seekers will be explored.

**Products and Services****Description of Major Products and Services**

The Virginia Employment Commission provides employers and job seekers with universal access to workforce services that assist in both securing and retaining employment, and finding qualified workers to fill jobs.

The VEC provides job seekers with universal access to services designed to prepare them for job search, job advancement, and/or career change. Veterans of military service who are seeking employment receive priority of services.

The VEC provides Trade Program participants and veterans with career services and Unemployment Insurance services; and referrals to services of other partner agencies in the One Stop system. Eligible Trade Program participants may receive training to develop in-demand employment skills.

The VEC conducts outreach to veterans for the purpose of locating candidates who could benefit from intensive services and markets these services to potential clients.

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For Employers, VWC provides users with

- The ability to post current job openings at their convenience, 24 hours a day, 365 days per year.
- The ability to search an expansive database of qualified candidates and review their active resumes.
- The ability to access the Daily Virtual Recruiter Candidate Resume Notification system, which allows an employer to be notified when new resumes have been created which meet their specific search criteria.

The Virginia Workforce Connection is accessible at Virginia Career Works Centers and via the Internet. All other VEC sponsored web accessible information systems are available on the VEC website.

The VWC also provides Labor Market Information (LMI) to a broad spectrum of users. The Virginia Employment Commission provides a number of strategic business services through LMI. The VEC provides LMI as a product that is available to the general public, the Governor and other legislative customers, the Virginia Board of Workforce Development, Local Workforce Development Boards, state agencies, the United States Department of Labor (USDOL), and other governmental entities.

| Products / Services  |   |                      |                           |    |            |
|--|---|----------------------|---------------------------|----|------------|
| Product / Service  | Statutory Authority   | Regulatory Authority | Required Or Discretionary | GF | NGF        |
| Employment Services  | • Wagner-Peyser Act of 1933 (29 U.S.C. 49)                            |                      | Required                  | 0  | 16,751,385 |
| Jobs of Veterans State Grant (Disabled Veterans' Outreach Program/Local Employment Representatives | • (38 U.S.C. §4102A(b)5)  |                      | Required                  | 0  | 6,807,518  |
| Trade Act program  | • Trade Act of 1974 (PL 107-210)                                      |                      | Required                  | 0  | 6,454,941  |
| Migrant and Seasonal Farm Workers program  | • Migrant and Seasonal Agricultural Worker Protection Act (PL 97-470) |                      | Required                  | 0  | 1,277,315  |
| Work Opportunity Tax Credit program  | • The Taxpayer Relief Act of 1997 (PL 105-34)                         |                      | Required                  | 0  | 367,710    |

### **Anticipated Changes**

The Workforce Innovation and Opportunity Act (WIOA) reauthorizes the national workforce system from 2015 through 2020. WIOA supersedes the Workforce Investment Act of 1998, and reforms performance measures and introduces new one-stop requirements. With WIOA, the VEC will see a change in delivery method from core and intensive services to an encompassing career service model. The VEC is tracking the WIOA rule making process in preparation of the required changes and the possible effects on resources.

VEC continues to explore technology to the fullest extent possible to allow employers and job seekers to access the job placement services of the Agency. Financial and human resources will continue to be limited. It is projected that despite reduced resources, VEC will be asked to serve an ever increasing number of customers, placing a heavier demand on existing staff. Given this condition, the use of available technology will be maximized.

### **Factors Impacting**

Federal base grants have been flat-funded for the past 12 years despite increasing operating costs. VEC is actively managing our budget situation, and is using organizational and program redesign initiatives, business process improvement measures, and cost reduction strategies.

The agency's long-range organizational redesign efforts have included hiring restrictions and the elimination of stand-alone VEC local offices.

The Governor is required by legislation to develop a strategic plan for workforce development for the Commonwealth. It is the responsibility of the Chief Workforce Advisor to the Governor to oversee the implementation of this plan. Goal One of the strategic plan calls for "substantial structural reform through consolidation, and streamlining and integrating workforce policy and services for business, workers, and job seekers". As a major deliverer of workforce services in Virginia, the VEC is responsible for fulfilling several mandates of the state plan.

As the economy in Virginia fluctuates, so does the demand for the job placement services rendered by VEC. When the unemployment rate is relatively high, there are increased demands for transition services for job seekers and assistance in finding the next job. When the economy improves, there is increased demand on the VEC to provide recruitment assistance to employers. VEC must balance these demands of its



customers.

### Financial Overview

The Virginia Employment Commission is funded by United States Department of Labor administrative and benefit grants, and by the Unemployment Trust Fund. Most non-general funds are appropriated for unemployment benefits.

Grants are flat but adequate, with the exception of Unemployment Insurance (UI). VEC has been officially notified by USDOL that the FFY 19 grant will be cut by \$1.8 million.

#### Biennial Budget

|  | 2019<br>General Fund | 2019<br>Nongeneral Fund | 2020<br>General Fund | 2020<br>Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 0                    | 31,658,869              | 0                    | 31,658,869              |
| Changes to Initial Appropriation       | 0                    | 0                       | 0                    | 0                       |

### Supporting Documents

**Title** **File Type**

## Unemployment Insurance Services [47002]

### Description of this Program / Service Area

#### Service Area Description

The Unemployment Insurance Services Division administers programs and processes that provide temporary income assistance to qualified individuals who become unemployed or are faced with reduced employment. The main objectives for this Service Area are to alleviate hardship for the unemployed, prevent unemployment, promote reemployment, and provide stability to the economy.

The Unemployment Insurance System was created by the Social Security Act of 1935 in response to chaotic economic conditions created by the Great Depression. The program was established and continues today as a joint partnership between the states and the federal government. It is administered by states with oversight by the U.S. Department of Labor.

Unemployment Insurance Services is organized administratively into three components:

- Tax – This component establishes employer liability for state UI taxes used to fund the benefits paid to eligible claimants, collects UI taxes when due, monitors employer accounts for compliance through a program of audits, and follows up on delinquent accounts for collection
- Benefits – This component determines eligibility for unemployment insurance benefits when claims are filed, adjudicates eligibility issues, and pays benefits when due
- Appeals – This component handles resolution of disputed UI claims through a two-tiered appeals process (First Level Appeals and Commission Appeals). The Office of Commission Appeals is the final administrative adjudicative authority within the VEC in disputed benefit and tax liability cases

Unemployment Insurance Services operates several programs to maximize integrity, detect fraud, and determine over/under payments. Included are the following:

- State and Federal Treasury Offset Program
- Benefit Payment Control Program
- Eligibility Review Program
- Benefit Accuracy Measure Program
- Tax Performance System Program

In addition to the traditional state Unemployment Insurance Program this Service Area administers the following unique unemployment assistance programs:

- UCFE – Unemployment Compensation for Former Federal Employees
- UCX – Unemployment Compensation for Ex-Military Personnel
- DUA – Disaster Unemployment Assistance
- EUC – Emergency Unemployment Compensation
- TRA/TAA – Unemployment Assistance to workers impacted by U.S. import/export policies that result in downsizing and business closures
- Federal Extended Benefits – Federally legislated programs that provide additional income assistance to individuals unemployed for long periods, due to severe economic conditions

The administrative and support services necessary to support the functions of this service area are also provided.

### Mission Alignment

Title III and Title IX of the Social Security Act of 1935, together with the Unemployment Tax Act (29 U.S.C. 23) and Section 60.2 of the Code of Virginia authorize the establishment of and the requirements for the VEC Unemployment Insurance program. This Service Area aligns with the VEC's mission by providing Temporary Income Support to qualified individuals as they seek to become suitably reemployed.

### Products and Services

#### Description of Major Products and Services

Unemployment Insurance Benefits: The VEC is responsible for paying unemployment benefits to individuals who become unemployed through no fault of their own. This area administers the process to file claims, adjudicate issues associated with claims, and employ techniques to ensure the integrity of the UI program.

The unemployment insurance claims process utilizes convenient, user-friendly methods to access services. This includes the ability to file initial claims via the **Virginia Workforce Connection** (VEC's flagship online customer portal) or by calling the Customer Contact Center. Once a claim is established, weekly continuing claims are processed online through the Virginia Workforce Connection and through the telephonic Interactive Voice Response System.

Fact-finding interviews are conducted in order to resolve disputed claims. Determinations to qualify or to deny benefits are rendered and include appeal rights. Benefits that are paid or denied are subject to a system of checks and balances that ensures the quality and fairness of the

process.

Unemployment Insurance Tax: The VEC is responsible for the accurate assessment and collection of unemployment insurance taxes from employers. The Agency utilizes a network of Tax Representatives throughout the state. These representatives provide employers with the information they need to ensure they are in compliance with both state and federal law.

Employers can conduct agency business using a mail-in process, but are encouraged to use the convenient on-line system to register and file quarterly reports, available at <http://www.vec.virginia.gov/employers/tax-registration>.

| Products / Services             |   |                      |                           |    |             |
|---------------------------------|---|----------------------|---------------------------|----|-------------|
| Product / Service               | Statutory Authority                                 | Regulatory Authority | Required Or Discretionary | GF | NGF         |
| Unemployment Insurance Benefits | • Virginia Unemployment Compensation Act, Chapter 6 |                      | Required                  | 0  | 467,394,584 |
| Unemployment Insurance Tax      | • Virginia Unemployment Compensation Act, Chapter5  |                      | Required                  | 0  | 49,802,834  |

### **Anticipated Changes**

The VEC continually explores efficient and effective means of service delivery, implementing new technology and automated systems as resources permit. The VEC is currently in the process of upgrading its Benefit, Tax and Wage Records automated systems. This new technology will upgrade service delivery through automation as VEC continues to provide timely, quality service to our customers.

### **Factors Impacting**

Reduced funding by the U.S. Department of Labor could provide a challenge to maintaining the desired level of customer service, as resources diminish.

A significant portion of the agency's workforce is eligible for retirement within five years. The agency will be challenged to maintain the level of subject matter expertise as current staff members retire.

The VEC is continuously seeking ways to streamline delivery of service and pursue alternate sources of revenue through grants, etc. in order to meet this challenge.

### **Financial Overview**

The Virginia Employment Commission is funded by United States Department of Labor administrative and benefit grants, and by the Unemployment Trust Fund. The Trust Fund is a non-general fund, maintained from the collection of Unemployment Insurance taxes paid by employers. The Trust Fund is appropriated exclusively for the payment unemployment benefits.

#### Biennial Budget

|  | 2019<br>General Fund | 2019<br>Nongeneral Fund | 2020<br>General Fund | 2020<br>Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 0                    | 525,045,012             | 0                    | 519,845,012             |
| Changes to Initial Appropriation       | 0                    | 0                       | 0                    | 0                       |

### **Supporting Documents**

| Title | File Type |
|-------|-----------|
|-------|-----------|

**Workforce Development Services [47003]**

**Description of this Program / Service Area**

This funding supports the administration of the Workforce Innovation and Opportunities Act (WIOA) services that are provided by the VEC on behalf of Local Workforce Development Boards.

**Mission Alignment**

This service area aligns with VEC's mission to support the development of a highly trained and well-equipped workforce to meet the needs of a changing economy. The federal Workforce Innovation and Opportunity Act (Public Law 113-128), the Wagner-Peyser Act (29 U.S.C. 49) and Section 60.2 - 113 of the Code of Virginia authorize the establishment of and requirements for VEC Workforce Development Services. Workforce Development Services directly aligns with the VEC's mission of promoting economic growth and stability in the Commonwealth by providing job placement assistance and services.

**Products and Services**

**Description of Major Products and Services**

The funding for this program supports the VEC's role as managing partner of the Virginia Career Works Centers. The VEC's role as a managing partner is to provide management of all activities related to the operation of the Workforce Center, including oversight and monitoring of operations, and supervision of the center staff. The VEC may also provide Workforce Innovation and Opportunities Act (WIOA) Adult and Dislocated Worker services.

| Products / Services                |  |                      |                           |    |         |
|------------------------------------|--|----------------------|---------------------------|----|---------|
| Product / Service                  | Statutory Authority  | Regulatory Authority | Required Or Discretionary | GF | NGF     |
| VEC Workforce Development Services | • The Workforce Innovation and Opportunity Act (Public Law 113-128) • Wagner-Peyser Act (29 U.S.C. 49) • Code of Virginia Section 60.2 - 113 |                      | Required                  | 0  | 877,130 |

**Anticipated Changes**

VEC anticipates continuing demand for high tech training of skilled workers in a changing economy.

**Factors Impacting**

Reduced funding by the U.S. Department of Labor could provide a challenge to maintaining the desired level of customer service, as resources diminish.

A significant portion of the agency's workforce is eligible for retirement within five years. The agency will be challenged to maintain the level of subject matter expertise as current staff members retire.

The VEC is continuously seeking ways to streamline delivery of service and pursue alternate sources of revenue through supplemental grants, when made available through USDOL, in order to meet this challenge.

**Financial Overview**

Biennial Budget

|  | 2019<br>General Fund | 2019<br>Nongeneral Fund | 2020<br>General Fund | 2020<br>Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 0                    | 877,130                 | 0                    | 877,130                 |
| Changes to Initial Appropriation       | 0                    | 0                       | 0                    | 0                       |

**Supporting Documents**

Title File Type



**Economic Information Services [53402]**

**Description of this Program / Service Area**

Economic Information & Analytics (EIA) is responsible for the collection, analysis, and dissemination of data relating to all aspects of the Commonwealth’s labor market. Units within the division provide administrative reporting services, research and analysis services, and management services to the agency and to the public.

The EIA Division is the official source of labor market information, census data, and economic information in Virginia. By providing comprehensive information and related analysis, we serve as a unique and valuable resource to employers, job seekers, economic developers, planners, consultants, economists, and government officials.

**Mission Alignment**

The Bureau of Labor Statistics is authorized to collect labor market information pursuant to 29 USC 1, an Act to Establish the Bureau of Labor. Section 14 of the Wagner-Peyser Act (29 USC 49L-1) authorizes the Secretary of Labor to reimburse the states to provide data for national statistical programs. Section 60.2 - 113 of the Code of Virginia provides the state level authorization for the establishment of and the requirements for VEC Economic Information & Analytics. This service area directly aligns with the VEC’s mission to promote economic growth and stability by providing workforce information.

**Products and Services**

**Description of Major Products and Services**

The Current Employment Statistics (CES) program surveys approximately 9,000 nonagricultural employers each month, collecting data on employment, hours, and earnings. This series offers a current estimate of employment by industry. The CES data series is widely used by businesses, government agencies, universities, trade associations, economists, and researchers to study economic conditions and to develop plans for the future. Researchers use the trends in the CES statistics as economic indicators.

The Local Area Unemployment Statistics (LAUS) programs produces estimates of labor force components for Virginia’s cities and counties and combinations, such as labor market areas and metropolitan areas. These estimates are produced monthly by place of residence and provide a snapshot of the total civilian labor force, the number employed, the number unemployed, and the unemployment rate. These estimates are a key indicator of local economic conditions and are used to determine the eligibility of an area of an area for benefits in various federal programs.

The Occupational Employment Statistics (OES) program collects staffing pattern data and wage information by occupation from private and public business establishments. The main purpose of the OES program is to produce employment and wage data for approximately 750 occupations in each of the eleven metropolitan statistical areas and four balance-of-state regions. Another important use of the staffing pattern data produced by the OES program is in the occupational employment projections.

The Quarterly Census of Employment and Wages (QCEW) program is a comprehensive and accurate source of employment and wage data by industry at the state and city/ county levels. It provides a virtual census of nonagricultural employees and their wages. The data is taken directly from the quarterly unemployment tax reports filed by Virginia employers. The QCEW data series has broad economic significance in evaluating labor trends and major industries developments.

The Economic Operations Research (EOR) unit conducts economic research, makes analyses, and develops publications, special studies, and press releases, on a variety of economic issues and topics. The unit also provides staff support to executive and legislative commissions, task forces, and study groups.

Virginia participates in the State Data Center (SDC) program, which is a federal-state cooperative initiative, designed to make economic and demographic information from the U.S. Bureau of Census more readily available.

EIA also administers the Rapid Reemployment program, in conjunction with the Workforce Services Division and WIOA Rapid Response. The program focuses on quicker reemployment of laid off workers by identifying staffing patterns within and across industries to match affected workers with similar companies. Economic Information & Analytics Division is administering in conjunction with the Workforce Services Division and WIOA Rapid Response.

| Products / Services      |                                     |                      |                           |    |           |
|--------------------------|-------------------------------------|----------------------|---------------------------|----|-----------|
| Product / Service        | Statutory Authority                 | Regulatory Authority | Required Or Discretionary | GF | NGF       |
| Labor Market Information | • Bureau of Labor Act (23 Stat. 60) |                      | Required                  | 0  | 3,027,295 |

**Anticipated Changes**

Continue to update and provide more data on the web site as demands for products and services continue to grow.

Continue to participate in the development of and training in new data systems to meet continued customer demand for more and different information.

Establish online seminars (webinars) to use for training workforce and economic development professionals.

### **Factors Impacting**

Requests for EIA products and services will continue to expand as internet use and the need for more localized, detailed and up-to-date workforce information continues to grow.

Current and projected reductions in federal administrative grants will affect EIA products, services, and manpower. Potential changes in federal legislation could also have an impact on products and services.

Retirement of key personnel will also have an impact on EIA products and services.

### **Financial Overview**

This service area is primarily funded by federal grants and the agency's Special Unemployment Compensation Administration fund. Federal One-Stop Labor Market Information funding was transferred from the Workforce System Organization Services service area beginning in Fiscal Year 2009.

#### Biennial Budget

|  | <b>2019<br/>General Fund</b> | <b>2019<br/>Nongeneral Fund</b> | <b>2020<br/>General Fund</b> | <b>2020<br/>Nongeneral Fund</b> |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|
| Initial Appropriation for the Biennium | 0                            | 3,027,295                       | 0                            | 3,027,295                       |
| Changes to Initial Appropriation       | 0                            | 0                               | 0                            | 0                               |

### **Supporting Documents**

**Title** **File Type**