

### Virginia Employment Commission [182]

#### Mission, Vision, and Values

##### Mission

The Virginia Employment Commission (VEC) strengthens Virginia's workforce and economy by providing temporary financial assistance to eligible unemployed workers.

##### Vision

To administer the best state unemployment program in the country through innovation, integrity and responsiveness.

##### Values

The Virginia Employment Commission (VEC) is guided by a set of core values that underpin its commitment to serving the Commonwealth's workforce and employers. These values shape the Commission's approach to delivering services and achieving its mission:

1. **Integrity:** The VEC upholds the highest standards of honesty and transparency in all its operations. We are dedicated to ensuring that our processes are fair, ethical, and accountable, maintaining the trust of the public and stakeholders.
2. **Excellence:** We strive for excellence in every aspect of our work. Our commitment to continuous improvement drives us to deliver high-quality services, adopt best practices, and exceed the expectations of unemployed workers and employers.
3. **Innovation:** Embracing innovation is crucial for staying ahead in a dynamic labor market. The VEC values creative problem-solving and the use of cutting-edge technology to enhance service delivery and address emerging workforce challenges.
4. **Customer-Centricity:** We prioritize the needs and experiences of our customers. Our focus is on providing responsive, accessible, and supportive services that empower individuals and businesses to achieve their goals.
5. **Opportunity and Inclusiveness:** The VEC is dedicated to fostering an inclusive environment where all individuals have access to opportunities and resources. We are committed to removing barriers and promoting fairness across all our programs and services.
6. **Collaboration:** Building strong partnerships with community organizations, businesses, and educational institutions is essential. We value collaborative approaches that leverage diverse perspectives and expertise to address workforce issues effectively.
7. **Accountability:** We take responsibility for our actions and decisions, ensuring that we meet our commitments and achieve our goals. Accountability is key to maintaining public confidence and delivering on our mission.
8. **Respect:** We treat all individuals with dignity and respect, recognizing the value and contributions of each person we serve and work with. Our interactions are guided by a commitment to empathy and understanding.

By adhering to these values, the Virginia Employment Commission remains steadfast in its mission to support Virginia's workforce and contribute to the overall prosperity of the Commonwealth.

#### Agency Background Statement

The Virginia Employment Commission (VEC) is a state agency responsible for overseeing and administering unemployment benefits in the Commonwealth of Virginia. Established in 1936, the VEC plays a crucial role in supporting the state's economic stability and workforce vitality by providing essential services to employees and employers during times of economic and employment changes.

The primary functions of the VEC includes managing unemployment insurance programs and the collection and analysis of labor market data to ensure the agency remains agile in its strategic planning and response of market and economic fluctuations.

In recent years, the VEC has focused on modernizing its services through technology enhancements and streamlining processes to better meet the needs of a dynamic workforce. This includes efforts to improve customer service, expand access to employment resources, and enhance the efficiency of benefit delivery systems.

By fulfilling its mission, the VEC contributes to the economic well-being of Virginia's residents, helping them navigate periods of unemployment and transition into new employment opportunities while supporting the overall health of the state's labor market.

The following federal laws provide the basis for programs administered by the Virginia Employment Commission (VEC). All VEC programs are 100% funded through grants provided by the United States Department of Labor.

- Wagner-Peyser Act of 1933 – Directs the establishment of a national network of public labor exchange offices operated by the states.
- Virginia Unemployment Compensation Act – Provides economic stabilization by administering compensation to those who are unemployed through no fault of their own.
- Section 306, Title III, Social Security Act (enacted by BBA of 2018) – Permanently authorized RESEA program to assist UI claimants deemed likely to exhaust and assist in detecting fraud.

## Agency Status *(General Information About Ongoing Status of the Agency)*

### Future Direction, Expectations, and Priorities

As the Virginia Employment Commission (VEC) looks towards the future, it is committed to evolving its role in response to changing workforce dynamics, technological advancements, and economic shifts. The VEC aims to enhance its impact on Virginia by focusing on several key areas:

- Digital Transformation and Innovation:** The VEC will prioritize the modernization of its technology infrastructure to improve service delivery and accessibility. This includes expanding online services through the usage of ID.me and the Clamiant Self Service portal, automating processes to streamline unemployment claims, and leveraging data analytics to better predict and respond to labor market trends.
- Opportunities and Inclusion:** Ensuring that all Virginians, including underserved and marginalized communities, have access to the VEC's services is a priority. The Commission will work to eliminate barriers to unemployment support by promoting equity in all its programs and outreach efforts.
- Strengthening Employer Relationships:** Building robust partnerships with employers through the agency's expanded ombudsman program is essential for fostering a strong connection with Virginia's workforce community.
- Resilience and Adaptability:** Given economic uncertainties and potential disruptions, the VEC is committed to enhancing its resilience and adaptability to swiftly address future crises or shifts in the job market. As specified in the Code of Virginia § 60.2-111 Section E, the VEC's Resiliency Plan outlines strategies for adjusting staffing levels in response to increased unemployment insurance (UI) workload, implementing policy and procedural changes, executing a robust communications strategy, prioritizing claim adjudication, and ensuring the continuity of UI claims processing. The agency's focus is on making the unemployment insurance system both effective and responsive. Additionally, the VEC is evaluating its organizational structure to develop a more agile framework capable of adapting to a dynamic operational environment.
- Customer-Centric Approach:** Improving the overall customer experience is a key focus. The VEC will seek to make interactions more user-friendly, provide timely and accurate information, and ensure that individuals receive the support they need to navigate unemployment challenges effectively. The VEC is currently overhauling its entire website. By prioritizing, user-friendly navigation, plain language, accessibility and an intuitive layout, we are ensuring that visitors can effortlessly find the information they need quickly and engage with our services effectively to make it a more intuitive and customer interfacing website.
- Funding Sustainability:** The VEC will strive to create a funding model to support agency operations in times when federal funding is unavailable or below state needs.

By concentrating on these priorities, the Virginia Employment Commission aims to not only address immediate needs but also to lay a foundation for long-term growth and stability in the Commonwealth. The Commission remains dedicated to supporting Virginia's workers and businesses through innovative solutions and equitable practices.

## Information Technology

### Factors Currently Impacting IT:

The Virginia Employment Commission (VEC) faces several factors that impact its IT systems and infrastructure. Addressing these factors is crucial for ensuring effective delivery of services and maintaining operational efficiency. Here are key factors that influence the VEC's current and future IT ecosystem:

#### 1. Technological Advancements

- Emerging Technologies:** Rapid changes in technology and its use by our customers must be considered in our operational delivery. The VEC needs to stay updated with technological trends to incorporate innovations that can enhance service delivery and operational efficiency.
- Software Upgrades:** Regular updates and maintenance of software are essential to ensure that systems are secure, efficient, and capable of meeting evolving needs.

#### 2. Cybersecurity Threats

- Data Protection:** The VEC handles sensitive personal and financial information, making it a target for cyber-attacks. Implementing robust cybersecurity measures, including encryption, firewalls, and regular security audits, is crucial to protect data and maintain public trust.
- Compliance:** Adhering to cybersecurity regulations and standards, such as those outlined by federal and state guidelines, is essential to ensure legal and regulatory compliance.

#### 3. Budget Constraints

- Funding Limitations:** Limited financial resources impact the ability to invest in new technologies, upgrade existing systems, and maintain IT infrastructure. Prioritizing IT investments and seeking additional funding or grants is of paramount importance. This may be mitigated with the introduction of the administrative fee mentioned in the 'finance' section.
- Cost Management:** Efficiently managing IT expenses while ensuring system reliability and performance is a key challenge. This includes

optimizing the use of existing resources and exploring cost-effective solutions.

#### 4. User Needs and Expectations

- **Flexible and Responsive Service Accessibility:** Users expect seamless, user-friendly access to online services. Ensuring that the VEC's IT systems are intuitive and accessible across various devices and platforms is important for meeting user needs.
- **Customer Support:** Providing effective support for users who encounter issues with IT services is essential. This includes having a responsive call center and clear troubleshooting resources.

#### 5. Infrastructure and System Integration

- **Legacy Systems:** Many government agencies, including the VEC, rely on legacy systems that may be outdated and incompatible with newer technologies. The VEC will continue to explore upgrading or replacing these systems, but recognize limitations related to complexity and cost.
- **Interoperability:** Ensuring that IT systems can integrate with other state and federal systems, such as those used for benefits administration or employment data, is crucial for effective service delivery.

#### 6. Workforce Skills and Training

- **Skill Gaps:** The availability of skilled IT professionals and the need for ongoing training are important factors. Investing in staff development and recruitment is essential for maintaining an effective IT team.
- **Change Management:** Preparing and training staff to adapt to new technologies and processes is crucial for successful implementation and adoption.

#### 8. Disaster Recovery and Business Continuity

- **Contingency Planning:** Developing and maintaining robust disaster recovery and business continuity plans is vital to ensure that IT services remain operational during emergencies or disruptions.

#### 9. Public Expectations and Transparency

- **Transparency:** The public expects transparency in how their data is handled and how services are delivered. Implementing transparent processes and clear communication about IT-related issues and updates is important.

Addressing these factors effectively can help the VEC maintain robust and reliable IT systems that support its mission and serve the needs of Virginia's workforce and employers.

### Workforce Development

The Virginia Employment Commission's staffing levels vary in response to state unemployment rates. To enhance responsiveness and adaptability, the agency has been developing and implementing a resiliency plan. Despite these efforts, recruiting for key positions remains a challenge. The agency is committed to ensuring that both current and future employees possess strong problem-solving, analytical, and decision-making skills, as well as the ability to understand and communicate complex information.

To address these needs and ensure the workforce can adapt to operational changes, while delivering seamless high-quality services, the VEC will employ several key strategies. These include comprehensive workforce and succession planning, a systematic approach to training, and ongoing improvement of technical skills and performance coaching. Training will be provided to all employees, with a particular focus on technical skills for customer-facing and call center staff. Additionally, the agency will invest in supervisory and leadership development to support the growth of current employees and prepare them for future roles.

#### Staffing

Authorized Maximum Employment Level (MEL)	473
Salaried Employees	467
Wage Employees	72
Contracted Employees	5

### Physical Plant

VEC currently manages leases for 50 buildings across the Commonwealth and owns 4 buildings situated in Covington, Fishersville, Hampton, and Lynchburg, VA. The management of these leased properties is a collaborative effort between VEC's procurement and general services team and the Department of General Services - Division of Real Estate Services (DGS-DRES).

Besides the day-to-day management of the leased space, VEC has no major physical plant projects planned. VEC successfully meets all established requirements and standards in providing accommodations, facilities, equipment and amenities that are suitable for employees.

VEC and DRES meet routinely to discuss leases that are set to expire within two to three years. This discussion is critical in planning and budget preparation for the home office and regional offices.

The Virginia Employment Commission (VEC) is exploring means to optimize its use of physical office space by evaluating several key factors that align with modern work practices, efficiency and preparedness in the event of another large-scale unemployment surge. The VEC will utilize the below strategies for effective and adaptable physical office space.

#### 1. Flexible Workspace Design

- **Hot Desking:** Implement hot desking or shared workspaces to maximize the use of available space and accommodate fluctuating staff numbers. This approach reduces the need for dedicated individual workstations and allows for a more dynamic work environment.

#### 2. Technology Integration

- **Tech-Enabled Spaces:** Equip workspaces with the latest technology to support remote work, virtual meetings, and efficient communication. Ensure that meeting rooms have appropriate audio-visual equipment and reliable internet connectivity.

#### 3. Efficiency and Space Utilization

- **Space Audits:** Conduct regular audits to assess space usage and identify opportunities for optimization. This can help reduce underutilized areas and reallocate space based on current needs.
- **Storage Solutions:** Implement efficient storage solutions, such as digital records management, to reduce the need for physical storage and free up space for other uses.

#### 4. Security and Privacy

- **Secure Areas:** Designate secure areas for sensitive information and ensure that access is restricted to authorized personnel.
- **Confidentiality:** Ensure that spaces used for confidential conversations or meetings are designed to provide privacy and prevent unauthorized access.

#### 5. Future-Proofing

- **Adaptable Layouts:** Design office spaces with flexibility in mind to accommodate future surges in work or organizational needs. The agency will explore the utilization of modular furniture and adjustable layouts to help adapt to evolving requirements.
- **Hybrid Work Models:** During times of high unemployment volumes, the Agency will consider spaces that support hybrid work models, where employees split their time between home and the office. This includes providing collaborative areas for team meetings and shared workstations for in-office days.

### Key Risk Factors

The Virginia Employment Commission (VEC) faces several key risk factors that could impact its operations and effectiveness. Identifying and managing these risks is crucial for maintaining efficient and reliable service delivery. Here are some of the key risk factors:

#### 1. Cybersecurity Threats

- **Data Breaches:** The risk of unauthorized access to sensitive personal and financial data poses a significant threat. Cyberattacks or data breaches could compromise the privacy of individuals and undermine trust in the VEC.
- **Ransomware:** The potential for ransomware attacks could disrupt operations and lead to financial losses or data loss.

#### 2. Technological Challenges

- **System Failures:** Legacy IT infrastructure failures would significantly impact the ability to process claims and deliver services efficiently.
- **Integration Issues:** Difficulty integrating new technologies or systems with existing ones has hindered operational efficiency and effectiveness.

#### 3. Budget Constraints

- **Funding Shortfalls:** Insufficient funding has historically limited the VEC's ability to invest in necessary technology upgrades, staffing, and other resources required for effective service delivery. For the past several years, funding for the agency's base grants has not kept pace with inflation. The agency remains focused on funding availability to support fluctuations in program workloads. This may be mitigated with the introduction of the administrative fee mentioned in the 'finance' section.
- **Cost Overruns:** Increasing costs related to IT services has strained the agency's budget.

#### 4. Economic Fluctuations

- **Economic Downturns:** Economic recessions or downturns leads to increased demand for unemployment services, placing additional strain on resources and systems.

## 5. Workforce Issues

- **Staffing:** Difficulty in recruiting and retaining skilled staff has impacted the VEC's ability to maintain service levels and operational efficiency in key service delivery areas.

## 7. Public Perception and Trust

- **Customer Service:** Delivering a consistent and high-quality level of customer service is critical to maintaining public trust. The agency will continue to make investments to improve services.

For the VEC to effectively manage these risk factors we have implemented robust risk management strategies, investing in technology and staff development, maintaining compliance with regulations, and developing and fostering strong relationships with our stakeholders.

## Finance

### Financial Overview

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

	2025 General Fund	2025 Nongeneral Fund	2026 General Fund	2026 Nongeneral Fund
Initial Appropriation for the Biennium	632,167	586,779,340	357,167	586,779,340
Changes to Initial Appropriation	882,167	601,657,386	0	0

### Revenue Summary

VEC's primary source of revenue collections is the State Unemployment Compensation Payroll Tax collected from Commonwealth of Virginia employers to cover state unemployment benefits. The second primary source is the Unemployment Insurance funding provided by the United States Department of Labor to pay federal unemployment insurance benefits and to fund the administration of the Unemployment Insurance program. The remaining revenue collections are provided by other federal funding to cover the administration of workforce development programs within the Commonwealth of Virginia.

VEC grants are capped and there are no additional funds to be secured from USDOL to offset operational increases.

As of January 1, 2025, the Virginia Code will permit the Virginia Employment Commission (VEC) to impose an administrative fee of 0.05% on taxable wages, which employers must assess and pay quarterly. This fee is projected to generate \$8.8 million in its first year and \$16 million annually thereafter. The funds will be dedicated solely to addressing critical technology upgrades and staffing needs, both of which have been impacted by budget shortfalls. Employers are responsible for paying the fee, which cannot be deducted from employees' wages.

## Agency Statistics

### Statistics Summary

The unemployment industry is influenced by several evolving trends that impact how unemployment services are delivered, managed, and perceived.

### Integration with Workforce Development

- **Skills Training and Employment Services:** Integration of unemployment services with workforce development programs, including job training, career counseling, and skills development to facilitate reemployment.

### Legislative and Policy Changes

- **Regulatory Updates:** Changes in federal and state regulations affecting unemployment benefits funding levels, eligibility criteria, and program administration.
- **Emergency Response Policies:** Development of an agile product and service delivery model(s) to create an adaptable response model address unemployment during economic crises or public health emergencies, such as the COVID-19 pandemic.

### Economic Fluctuations

- **Response to Economic Downturns:** Adapting unemployment programs to handle increased demand during economic recessions or periods of high unemployment.

These trends reflect the continual evolution of the unemployment industry, driven by technological advancements, shifts in workforce dynamics, and changes in regulatory and policy environments. To effectively respond to these trends, the agency has prioritized agile product and service delivery to maintain adaptability.

Key performance metrics for the agency include:

- Meet DOL timeliness standards for first benefit payment
- Meet DOL timeliness standards for First Level Appeals
- Initial claims filed online

### Statistics Table

Description	Value
Percent of initial UI payments made within 21 days	84
Average age (in days) of pending first level appeals	270
Percent of initial claims filed online	75

## Customers and Partners

### Anticipated Changes to Customer Base

The Virginia Employment Commission (VEC) serves a diverse customer base, encompassing a wide range of individuals and entities affected by unemployment and workforce-related issues driven by recession, economic uncertainty and fluctuations. The VEC is committed to understanding the current customer base and anticipating future changes to effectively meet evolving needs.

#### Current Customer Base

##### 1. Unemployed Individuals

- **Job Seekers:** Individuals who have lost their jobs and are seeking unemployment benefits. This group includes those who are eligible for regular unemployment insurance, extended benefits, and special assistance programs.
- **Claimants:** Those who are currently receiving unemployment benefits and require ongoing support and information regarding their claims.

##### 2. Employers

- **Businesses:** Employers who need to comply with unemployment insurance requirements, including submitting unemployment insurance tax contributions and responding to claims.
- **HR Departments:** Human resources personnel who handle unemployment claims, manage employee separations, and ensure compliance with unemployment regulations.

##### 3. State and Local Government Entities

- **Policymakers:** Government officials who rely on data and reports from the VEC for decision-making and policy formulation.
- **Economic Development Organizations:** Entities that collaborate with the VEC to address regional workforce needs and promote economic growth.

##### 4. Community and Advocacy Groups

- **Support Organizations:** Nonprofits and advocacy groups that work with individuals facing unemployment or underemployment and may refer clients to VEC services.

#### Anticipated Changes in the Customer Base

##### 1. Increased Demand for Digital Services

- **Online and Remote Access:** As the desire for more services to move online, there will likely be an increase in the number of customers both requesting and using digital platforms for filing claims and receiving support.

##### 2. Diverse Workforce Needs

- **Gig and Freelance Workers:** With the growth of the gig economy and freelance work, there is an anticipated increase in the number of non-traditional workers seeking unemployment benefits and workforce support.
- **Rapidly Evolving Skill Gaps:** Skills needed in today's economy evolve rapidly resulting in faster ebbs and flows subsets of workers in and out of the workforce.

##### 3. Economic Fluctuations

- **Economic Downturns:** During periods of economic recession or instability, the VEC anticipates seeing a surge in the number of unemployed individuals seeking assistance.
- **Economic Recovery:** Conversely, during economic recoveries, there may be a shift in focus from unemployment support to job placement and skills development.

#### Evolving Job Market Due to Technological Advancements

- **Shifting Job Requirements:** As technology advances, changes in job requirements and skills can influence employer needs and affect unemployment trends in specific industries.



By anticipating these changes, the VEC can adapt its services and outreach strategies to effectively meet the evolving needs of its customer base, ensuring that it continues to provide valuable support in a changing economic and technological landscape.

### Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Unemployed	Unemployment Insurance Initial Claimants	609,772	180,000	Decrease
Employer/ Business Owner	Unemployment Insurance Tax Customers	235,038	248,393	Increase
Employer/ Business Owner	Employer Services via Virginia Workforce Connection	167,303	167,303	Increase

### 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.
Executive Branch	Governor, Secretary of Labor
Legislature	VA General Assembly, Commission on Unemployment Compensation
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.
National Association of State Workforce Agencies	VEC partners with National Association of State Workforce Agencies for Integrity Data Hub fraud analytics and for DOL program and operational-related training

### Major Products and Services

The Virginia Employment Commission (VEC) offers a range of products and services designed to support both unemployed employees and employers while contributing to the overall economic stability of the Commonwealth. Here are the major products and services provided by the VEC:

#### 1. Unemployment Insurance (UI) Programs

- **Unemployment Benefits:** Financial assistance for individuals who have lost their jobs through no fault of their own. This includes regular unemployment insurance benefits and extended benefits during periods of high unemployment.
- **Pandemic-Related Assistance:** Special programs that provide benefits during economic crises or pandemics, such as Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC).

#### 2. Claimant Services

- **Claims Processing:** Handling of unemployment claims, including application processing, eligibility determination, and benefit disbursement.
- **Customer Support:** Assistance with issues related to claims, benefits, and account management through call centers, online support, and in-person services.

#### 3. Regulatory Compliance

- **Employer Compliance:** Assistance with understanding and meeting regulatory requirements related to unemployment insurance and workforce regulations.
- **Audits and Investigations:** Conducting audits and investigations to ensure compliance with state and federal laws regarding unemployment benefits and employment practices.

### Performance Highlights

To achieve "best in class" status and exceed the United States Department of Labor (DOL) targets, the Virginia Employment Commission (VEC) has is focused on several key performance measures. These measures align with our goals of efficiency, effectiveness, and customer satisfaction.

1. Claims Processing Efficiency

- **Average Claims Processing Time:** Track the average time taken to process unemployment insurance claims from submission to decision. Our goal is to consistently surpass the DOL's benchmark for timeliness.
- **First Payment Timeliness:** Measure the percentage of claims for which the first benefit payment is made within the DOL's standard timeframe (e.g., within 21 days). Our goal is to meet or exceed this standard.

2. Appeals Timeliness

- **Appeal Decision Timeliness:** Monitor the percentage of first-level appeal decisions made within the DOL's standards (e.g., 60% within 30 days and 80% within 45 days). Our goal is to improve on these benchmarks.

3. Customer Satisfaction

- **Customer Satisfaction Surveys:** Regularly conduct surveys to gauge claimant satisfaction with the claims process, customer service, and overall experience. Our goal is to improve our customer satisfaction scores, reflecting a superior level of service.

4. Fraud Prevention and Accuracy

- **Fraud Detection Rate:** Track the rate of identified fraudulent claims versus total claims filed. Implement measures to improve fraud detection and reduce fraudulent activities.
- **Error Rate:** Monitor the rate of errors in claims processing and payments. Set targets for reducing errors to ensure high accuracy in benefit determinations.

5. Operational Efficiency

- **Cost Per Claim Processed:** Monitor and aim to reduce the cost associated with processing each unemployment claim, striving for operational efficiencies without compromising service quality.
- **Technology Utilization:** Measure the effectiveness of new technologies and systems implemented to streamline operations and improve service delivery.

Selected Measures

Measure ID	Measure	Alternative Name	Esitmated Trend
18247002.001.001	Percent of first-time Unemployment Insurance (UI) payments made on time		Improving

Agency Goals

- **Become the Best in Class Employment Commission in the Country**

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.

Objectives

» Improving Processes and Technology

Description

The agency will focus resources and efforts to improve internal communication, remove manual processes, and create a collaborative work environment.

Objective Strategies

- Create a collaborative mission-focused culture
- Continuous process optimization
- Enhance VUIS  
Measures



## » Improving Customer Journey

### Description

Enhancing the VEC customer journey involves optimizing every touchpoint and interaction that claimants and employers experience with the agency. This objective focuses on streamlining processes to make them more user-friendly, ensuring that services are accessible, and providing clear and timely communication.

### Objective Strategies

- To be accessible and responsive to claimants and employers seeking assistance.
- Redesign the digital experience by upgrading the Agency's website and making educational resources clear and easily accessible.
- Increase first-contact resolution and online claim filing.

#### Measures

- ◆ Average age of pending First Level Appeals
- ◆ Percent of first-time Unemployment Insurance (UI) payments made on time
- ◆ Percent of nonmonetary determinations made within 21 days
- ◆ Percentage of initial claims filed online

## » Become a Resilient Agency

### Description

Ensure the agency can rapidly respond to and scale with economic fluctuations.

### Objective Strategies

- Develop a Resiliency Plan that meets the objectives as outlined in the Code of Virginia section 60.2-111 Section E.
- Consolidate risk management efforts.
- Establish a digital training and knowledge base to support team and customers

#### Measures

- ◆ Claims remaining on First Level appeals backlog
- ◆ VEC will develop and tests a comprehensive plan that ensures resiliency and responsiveness to economic conditions regardless of the nature and duration of such events.

## 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 – 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 – Determines eligibility for unemployment insurance benefits when claims are filed, adjudicates eligibility issues, and pays benefits when due.
- Appeals – 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
- Integrity Data HUB (IDH) in partnership with the National Association of State Workforce Agencies (NASWA)

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 and Authority

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 uses convenient, user-friendly methods to access services. This includes the ability to file initial claims via the **Claimant Self Service portal** (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 Claimant Self Service portal and through the telephonic Interactive Voice

## Response System.

Fact-finding reviews 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 uses 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 submit forms electronically. The convenient on-line system to register and file quarterly reports is available at <https://www.vec.virginia.gov/employers/account-number>.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Unemployment Insurance Benefits	Virginia Unemployment Compensation Act, Chapter 6		Required	0	515,304,598
Unemployment Insurance Admin	Virginia Unemployment Compensation Act, Chapter 5		Required	0	61,499,522

## Anticipated Changes

The VEC continually explores efficient and effective means of service delivery, implementing new technology and automated systems as resources permit.

## 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; in particular, elimination of the temporary assistance funding provided to support the impact of the COVID-19 pandemic.

The VEC is continuously seeking ways to streamline delivery of service and pursue alternate sources of revenue through grants and other funding sources 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

	???	???	???	???
Initial Appropriation for the Biennium	632,167	586,779,340	357,167	586,779,340
Changes to Initial Appropriation	882,167	601,657,386	0	0

## Supporting Documents

Title	File Type
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