



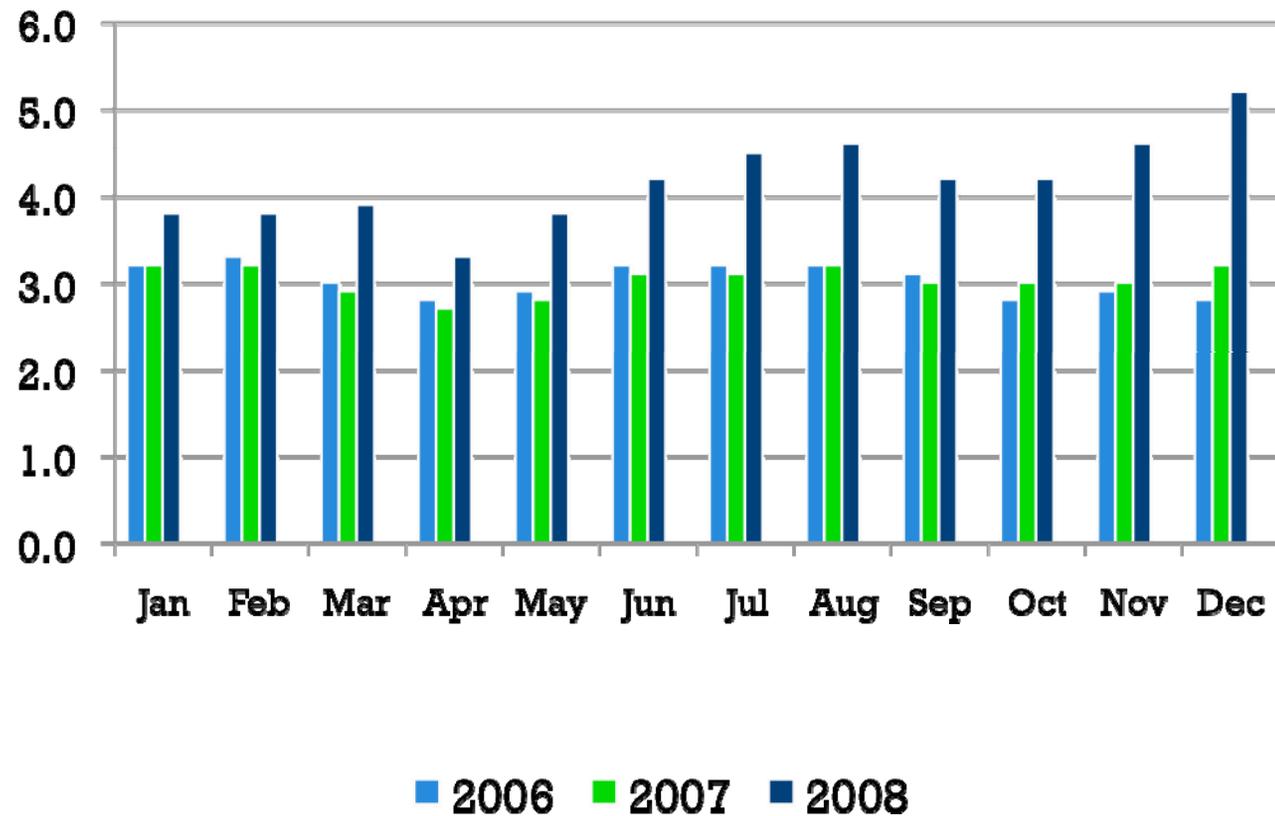
VIRGINIA EMPLOYMENT COMMISSION

Economic Development, Agriculture, and Natural Resources Subcommittee

Dolores Esser, *Commissioner*
Virginia Employment Commission
January 29, 2009

Virginia's Unemployment Rates 2006 - 2008 (year to date)

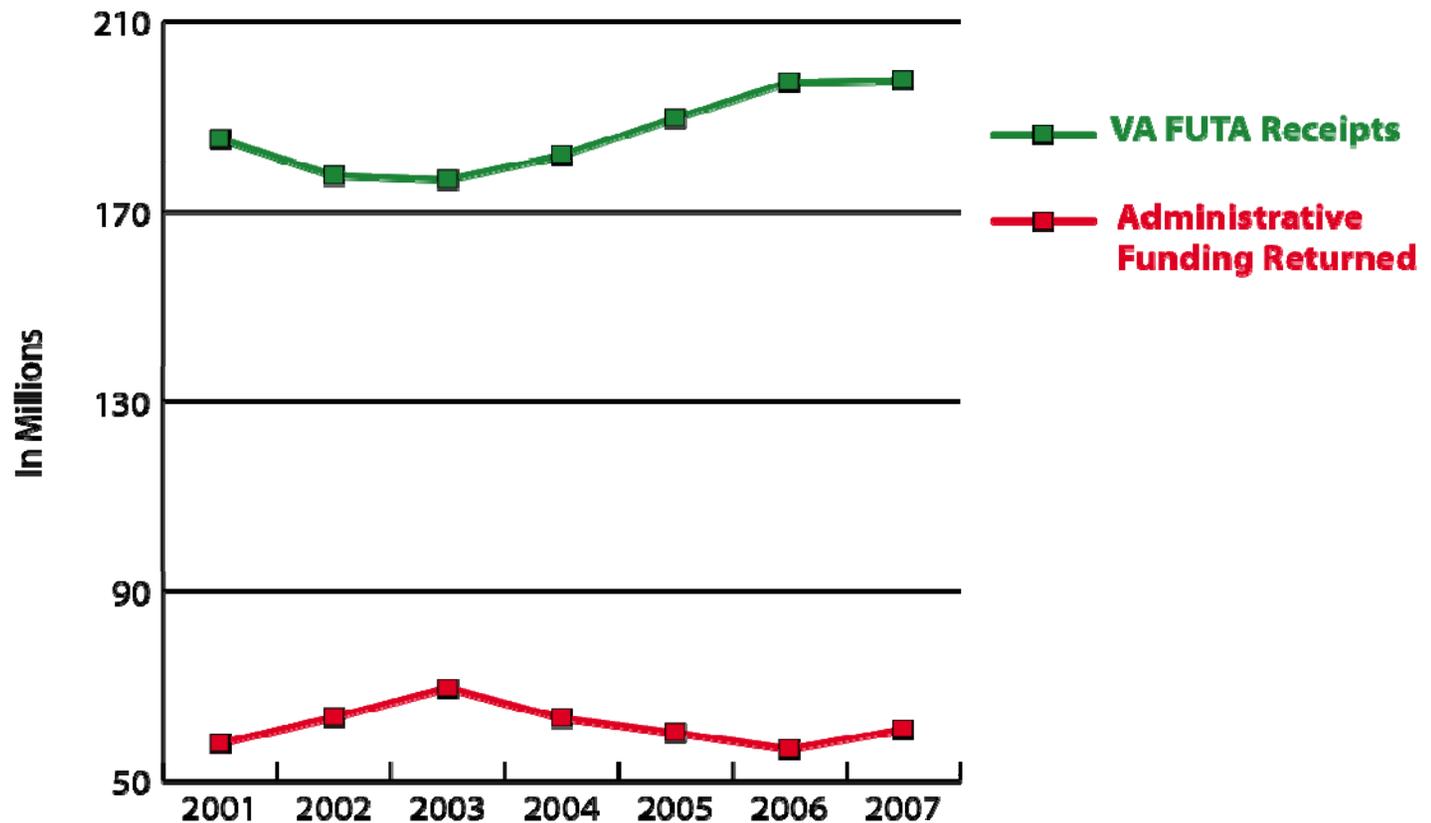
- This year all unemployment rates have been above the year-ago rates.
- January rate of 1996 was 5.3%



FUTA - Federal Unemployment Tax Act

- Employers pay \$56 on each employee
- Paid on Federal Tax Return
- Funds support the Administration of VEC services—JS, UI, VET, LMI, etc.

FUTA Receipts by USDOL vs. Administrative Funding Returned to Virginia 2001 - 2007



Actual Dollars & Percentages

Actual Dollars & Percentages			
Year	FUTA Taxes	Administrative Funding Returned	Percent
2001	\$185,200,000	\$57,900,000	31.3
2002	\$177,600,000	\$63,400,000	35.7
2003	\$176,800,000	\$69,500,000	39.3
2004	\$181,800,000	\$63,200,000	34.8
2005	\$189,600,000	\$60,100,000	31.7
2006	\$197,200,000	\$56,700,000	28.7
2007	\$197,600,000	\$60,800,000	30.8

Recent Results of Funding Levels

- 2005 – closed offices in Newport News, Richmond, and Virginia Beach
- 2007 – layoffs of 157 staff and elimination of 86 unfilled positions, effective March, 2008
- 2008 – closed offices in Fairfax, Richmond, Buena Vista, and Suffolk

Contingency Funding for UI

- Positions earned and base positions are determined by workload
- When total positions earned exceed funded base, positions result in contingency funds
- June 30, 2008 - \$246
- Sept. 30, 2008 - \$577,047
- Dec. 31, 2008 - estimated at \$2.7 million

Federal Stimulus Package

- UI modernization - \$7 billion U.S.
 - Increase access UI benefits
 - Alternative base period - \$65.1 million Virginia

Federal Stimulus Package

- State must enact two of four provisions to qualify for additional funds - \$130.2 million for Virginia
 - Permit part-time workers to seek part-time work.
 - Permit voluntary separations from employment for compelling family reasons. (SB 1495)
 - Provide extended compensation to claimants in training for high demand occupations.
 - Provide dependent allowances to claimants with children.

Federal Stimulus Package

- \$500 million to states for administration of UI programs - \$13.7 million for Virginia
- Increase unemployment benefits by \$25 per week using federal funds until December 2009
- Extension of Emergency Unemployment Compensation Program
 - program phases out March 31, 2009
 - extend through December 2009

Any Questions?

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