

Case Study: How Virginia Worker Advocates Advanced Unemployment Insurance Reform in a Divided State Government

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During the 2025 Virginia General Assembly, a coalition of social justice organizations representing workers took collective action to spur enactment of pragmatic unemployment insurance (UI) measures to increase reciprocity. Reciprocity is the portion of jobless workers who receive unemployment benefits. This brief explores how an ad hoc coalition of worker advocates fostered UI law reforms. It examines coalition building, compromise, and consensus among UI advocates, and surveys their collaboration with Virginia legislative and executive offices that led to cross-branch compromises and successful purple-state outcomes. It showcases the wisdom and determination of legislators and the governor to upgrade the Commonwealth's UI program on behalf of jobless workers [in their darkest hours](#).

Introduction

Political scientist Yuval Levin argues that in American federalism, “unity does not mean thinking alike, but it does mean acting together.”² This policy brief shares the strategy and tactics of social justice organizations working together in Virginia to help enact stepwise UI program reforms. The brief focuses on the process of bringing together advocacy organizations into a single-purpose UI reciprocity coalition. It examines how the coalition helped craft long-overdue incremental UI reforms by working with state lawmakers, legislative committees, oversight commissions, and the state UI agency. The brief demonstrates the power of establishing a systemic policy goal—in this case, UI reciprocity—to intensify ideological and policy cohesion, and offers other lessons in legislative advocacy.

Organizing the Coalition and Pursuing Incremental UI Reform

Building an advocacy coalition is often difficult because each organization must decide at the outset if the overarching proposed policy goal, specific objectives, and activities to meet these objectives are consistent with their organizational priorities. The shared goal becomes the essential catalyzing ingredient—the policy superglue—that bonds the coalition. The objectives stemming from the goal also should complement each organization's mission, and the pathway ensures that each coalition member's views are fairly addressed. A common tool for public decision-making is a consensus model, where everyone agrees on something. The coalition employed a consensus approach, which requires discussion, negotiation, and compromise. In the throes of the COVID-19 pandemic, with widespread joblessness, delay, and disruption in Virginia, the General Assembly through the state UI agency, the Virginia Employment Commission, with federal financial support, took bipartisan actions to improve access to benefits and protect against fraud and

abuse. However, by April 2023, pesky UI administrative challenges surfaced; the state's reciprocity rate ranked 44th among states, near the national bottom. This meant that only 12.1 percent of all jobless workers in Virginia received unemployment benefits within the last 12 months.³

By spring 2024, the reciprocity rate in the Commonwealth remained habitually low. At that time, Social Action Linking Together (SALT), a Northern Virginia social justice organization, decided to strengthen economic security policies, and selected UI reform as a legislative priority for the 2025 General Assembly session.

Building the Coalition and Aligning on Policies

Armed with a systemic goal of increasing Virginia's UI reciprocity and draft proposals, SALT sought other organizations concerned with the plight of workers facing the vicissitudes of job loss. SALT assembled a worker-advocacy coalition that included Washington, D.C.-based National Employment Law Project, as well as several Virginia-based social justice and worker-advocacy organizations, namely The Commonwealth Institute for Fiscal Analysis and the Legal Aid Justice Center. Virginia Poverty Law Center would later join the group.⁴

Meetings of the coalition took place during late 2024 in anticipation of the Virginia legislative session slated to begin in January. As there are many causes of low UI reciprocity, the coalition's first task was to identify why Virginia's reciprocity rate was so low and what legislative changes could potentially remedy the issue. Fortunately, in 2021, the Joint Legislative Audit and Review Commission (JLARC), a nonpartisan state agency, conducted a study of Virginia's UI system, including reciprocity.⁵ The JLARC findings proved to be influential in Virginia's oft-divided state government. Previously, Virginia had adopted JLARC's other UI policy recommendations.⁶

The JLARC examined Virginia's low reciprocity rate and found that its low benefit levels likely were a key contributor to the issue.⁷ It found Virginia's benefit levels to be insufficient to assist unemployed workers in covering basic necessities.⁸ Virginia's benefit levels only replaced about one-third of a worker's prior wages.⁹ Moreover, Virginia's maximum benefit amount of \$378 was lower than 39 other states.¹⁰ Given the insufficiency of the state's benefit levels, as well as JLARC's reputability and influence, the coalition agreed to address UI reciprocity, and to do so by increasing weekly unemployment benefits. The coalition settled on four policy proposals, the first three of which were policy options from JLARC's report:

1. Make a one-time increase in weekly benefit amounts (WBAs);¹¹
2. Annually adjust the WBA based upon a statewide metric;¹²
3. Provide a supplemental allowance to workers with dependents (set at a fixed number);¹³ and
4. Increase the dollar amount that workers can earn through temporary employment before their unemployment benefits are reduced (referred to as the income disregard).

Incrementalism—the making of small changes over time—is especially valuable in reforming state UI systems, particularly in divided state governments. In a seminal article published in 1959, political economist Charles Lindblom first described the “incremental character of political change.”¹⁴ Policy advocates and public officials regularly propose small statutory or rule changes to improve existing policies and programs in order to hone outcomes without raising substantial political opposition or budgetary costs. Early on, coalition members agreed that incremental rather than radical UI reforms would have a better chance for enactment. As the political science literature suggests, “incremental change is a good tactic

when there are problems related to the functionality within a government.”¹⁵ Democrats held slim majorities in the House and Senate, and Republicans the governorship.¹⁶ It had been over a decade since the weekly benefit amount had been increased,¹⁷ and 20 years since the income disregard was increased.¹⁸ Coalition members also agreed to request separate legislative bills so that the likelihood of one being enacted was greater than bundling the proposals together and having an omnibus bill die in House or Senate committees. It was hoped that bipartisanship in the General Assembly might be achieved if the bills were modest, targeted, and low cost.

Turning Policies into Bills and Building Support

From September through December, the coalition worked to turn its broad policy proposals into concrete legislation, and to build support. The coalition began meetings with potential patrons in September.¹⁹ Then, the coalition prepared to present at two oversight commissions.

Under Virginia law, there are two UI legislative oversight commissions. The first is the Commission on Unemployment Compensation (CUC), the higher authority charged with overseeing the operations of the Virginia Employment Commission (VEC).²⁰ The second is the CUC’s UI Subcommittee, a sub-entity expressly required to monitor VEC’s implementation of the Joint Legislative Audit and Review Commission’s recommendations.²¹

In October, the coalition presented its proposals to the CUC’s UI Subcommittee.²² There, the coalition presented early drafts of proposed legislation for discussion by subcommittee members, made up of both legislators and non-legislative stakeholders.²³ The coalition logged members’ support and concerns to further refine the bills. Soon after the meeting, the coalition met with VEC staff to discuss the legislative proposals and to learn more about the proposals’ potential administrative burden, estimated costs, and realistic timelines for implementation. Their assessment turned out to be invaluable.

In December, the coalition presented refined legislative proposals to the full CUC. After robust discussion, the CUC endorsed in concept the measures proposed by the coalition. By the end of December, legislative patrons filed bills to do the following:

- Increase UI benefit amounts by \$100, and require the CUC to establish a work group to study making annual adjustments to individual weekly benefit amounts based on the average weekly wage;
- Provide a dependent allowance of \$25 for up to three dependents per worker;
- Increase the income disregard from \$50 to \$100.

After the CUC meeting, coalition member Pat Levy-Lavelle of the Legal Aid Justice Center summed up key arguments for the bills: “The economy has increased. Things have gotten more expensive. It’s time that we recognize that [jobless workers are] going to need a little more to survive day to day while they look for work.”²⁴

General Assembly's and Governor's Actions

Virginia's short, 45-calendar-day legislative session began on January 8, 2025. Thanks to the bill patrons, the legislature, and the governor, all measures proposed by the coalition survived in some form. Of the proposals passed by the General Assembly (with some bipartisan support), the governor signed into law the following:

- A benefit increase of \$52 across all benefit levels, and a requirement of a work group to study establishing automatic increases to annual average weekly wages; and
- An income disregard increase of up to \$100.

While the bill to create a dependent allowance ultimately did not advance, the concept survived. The House Appropriations Subcommittee recommended that the CUC study it. As a result, at a May 2025 CUC meeting, dependent allowance was taken up. Thus, the stage is set for further consideration of this concept.

Key Takeaways and the Federal-State Partnership

In less than a year, the coalition successfully won enactment in 2025 of important reforms to Virginia's UI law. Beginning in January 2026, Virginia workers across all benefit levels will earn an additional \$226 in unemployment benefits per month.²⁵ Workers engaging in part-time work may earn an additional \$50 (up to \$100) in wages per week before their benefit amount is reduced.

Presentations by coalition members to the Commission on Unemployment Compensation (CUC) and the UI Subcommittee, and testimony at the General Assembly educated Virginia's legislators and the public about UI reciprocity, benefit amounts, and dependent allowances. Further, the new requirement in the state's UI law to establish a working group to study automatic benefit increases, and the House Appropriations Committee's recommendation that the CUC study dependent allowances will help ensure the prospect for further politically neutral studies that the coalition and other stakeholders can draw from to support additional UI reforms.

The coalition's success during the 2025 legislative session demonstrates the value of establishing a unifying policy goal—in this instance, increasing UI reciprocity—and building relationships with stakeholders, legislators, and state UI agencies, even where differences in ideology and political affiliations exist. Achieving incremental reform requires compromise, particularly in a divided state government. Through the partnership of social justice advocates, along with presentations to the CUC and UI Subcommittee, and discussions with state legislators, the Virginia Employment Commission, and other stakeholders, the coalition was able to refine the legislative proposals to ensure both political salience and administrability.

Moreover, social justice advocates working to reform state UI programs possess a unique advantage over those trying to reform a top-down federal-run program. The Social Security Act's founders established the UI program through an intergovernmental arrangement, referred to as the federal-state partnership,²⁶ where states administer the program under broad federal policy. Historically, the balance of power between the federal government and states has shifted with changes in the political landscape of Washington, D.C. and state capitals. While the present direction of federal UI reform in Washington, D.C. may be uncertain, advocates for state UI reforms have the good fortune to work directly with individual states who retain shared power in the federal-state UI partnership. Solutions in the UI program to better

serve workers and employers mostly have emanated from the states themselves. The manner in which UI reforms were accomplished by advocates and legislators in Virginia during the 2025 General Assembly can be replicated state by state.

Although additional reforms are needed to improve Virginia's UI program, thus far this much is clear: Because of the coalition's efforts, jobless workers in Virginia will receive a modest increase in benefits to help defray their expenses, as well as an increase to the income disregard.

About NELP

Founded in 1969, the National Employment Law Project (NELP) is a nonprofit advocacy organization dedicated to building a just and inclusive economy where all workers have expansive rights and thrive in good jobs. Together with local, state, and national partners, NELP advances its mission through transformative legal and policy solutions, research, capacity-building, and communications. NELP is the leading national nonprofit working at the federal, state, and local levels to create a good-jobs economy. Learn more at www.nelp.org.

Endnotes

- ¹ David E. Balducchi is retired from the U.S. Department of Labor and is an Advisory Board member of Social Action Linking Together.
- ² Yuval Levin, *American Covenant* (New York, Basic Books, 2024) 3.
- ³ The Century Foundation, *Unemployment Insurance Data Dashboard*, available at: <https://tcf.org/content/data/unemployment-insurance-data-dashboard/>.
- ⁴ Interview with David Smith of SALT by co-author, April 21, 2025.
- ⁵ JLARC, *Operations and Performance of the Virginia Employment Commission*, 2021, <https://jlarc.virginia.gov/pdfs/reports/Rpt555.pdf> (hereinafter JLARC).
- ⁶ See, e.g. Va. Code 30-222 (2022); Va. Code 60.-2-111 (2022); Va. Code 60.2-121.2 (2022).
- ⁷ JLARC, at 93.
- ⁸ *Id.*, at 96.
- ⁹ U.S. Dep't of Labor, *UI Replacement Rates*, https://oui.doleta.gov/unemploy/ui_replacement_rates.asp.
- ¹⁰ U.S. Dep't of Labor, *Comparison of State Laws*, 2023, at 3-10 to 3-14, <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/monetary.pdf>.
- ¹¹ JLARC, at 98. This is Policy Option 5.
- ¹² *Id.* This is Policy Option 4.
- ¹³ *Id.*, at 99. This is Policy Option 6.
- ¹⁴ At the time, Lindblom used as one example unemployment benefits to substantiate his argument, stating both parties "favor unemployment compensation, but not the same levels of benefits" Charles E. Lindblom, "The Science of 'Muddling Through,'" *Public Administration Review*, Vol. 19, No. 2, Spring 1959, 84-85.
- ¹⁵ Sören Fillet, *Radical vs Incremental Change: What is the Difference?* Go Vocal (Feb. 10, 2023), <https://www.govocal.com/blog/whats-the-difference-radical-vs-incremental-change#:~:text=Incremental%20change%20attempts%20to%20solve,and%20creating%20a%20new%20one>.
- ¹⁶ In 2025, the Senate controlled by the Democrat Party with a 21-19 majority, and the House controlled by the Republican Party with a 51-49 majority.
- ¹⁷ Va. Code §60.2-602 (2012).
- ¹⁸ Va. Code §60.2-603 (2005). In 2005, the minimum hourly wage in Virginia was \$5.15. In 2025 the minimum hourly wage is \$12.41. The income disregard had not kept pace with hourly wage growth.
- ¹⁹ The Virginia legislature uses the term "patron" for the sponsors of bills.
- ²⁰ Va. Code §30-218 (2003).
- ²¹ Va. Code §30-222 (B) (5) (2022).
- ²² Va. Code §30-222 (B) (2022). The subcommittee sunsets on June 30, 2025. *Id.*, at (D).
- ²³ *Id.*, at (C).

²⁴ Cameron Thompson, *Commission Advances Three Bills to Potentially Expand Virginia’s Unemployment Benefits* WTVR (Dec. 5, 2024, 5:33PM), <https://www.wtvr.com/news/local-news/proposed-unemployment-benefit-changes-dec-5-2024>.

²⁵ \$52 x 4.34524 weeks per month. See S.B. 1056, Reg. Session (Va. 2025), <https://lis.virginia.gov/bill-details/20251/SB1056>.

²⁶ The federal-state partnership for UI under Title III of the Social Security Act of 1935 was modeled on the federal-state partnership for the Employment Service under the Wagner-Peyser Act of 1933 (David E. Balducchi and Christopher J. O’Leary, “The Employment Service—Unemployment Insurance Partnership: Origin, Evolution, and Revitalization,” in *Unemployment Insurance Reform: Fixing a Broken System*, ed. Stephen A. Wandner (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2018, 66) <https://doi.org/10.17848/9780880996532.ch3>).

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