



Virginia Department of Planning and Budget **Economic Impact Analysis**

16 VAC 5-80 Adjudication
Virginia Employment Commission
Town Hall Action/Stage: 6651 / 10587
January 6, 2025

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

The Virginia Employment Commission (VEC) proposes to 1) remove text concerning the promptness of determinations and decisions and, and 2) add that determinations and decisions can be delivered electronically.

Background

The current regulation states that:

As soon as possible following the acquisition of facts necessary to make a determination or decision, either from the parties' submissions or from a predetermination proceeding, the deputy shall render a determination or decision in writing which shall include the effective date of any qualification or disqualification, the dates of any eligibility or ineligibility, the law or regulation upon which the determination or decision is based, and the reasons for the determination or decision, together with information concerning the filing of an appeal. This determination or decision shall be promptly delivered or mailed to the parties at their last known addresses or designated point of contact.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

In the first sentence, VEC proposes to remove all of the text prior to “the deputy shall render a determination or decision ...” The agency points out that “The timeline for issuing decisions or determinations ... is governed by the Code ... and is also federally regulated. There will be no impact as a result of the change because the VEC will continue to operate based on federal timeliness standards.”²

Also, in the last sentence, VEC proposes to add the word “electronically” after “promptly delivered.”

Estimated Benefits and Costs

As removing the text concerning the promptness of determinations and decisions would have no impact on promptness in practice, this proposed change would not have substantive impact. VEC has indicated that determinations and decisions are already being communicated electronically. Thus, the proposal to add the word “electronically” would moderately improve clarity in that it would better describes what occurs in practice, but otherwise would have no substantive impact.

Businesses and Other Entities Affected

The regulation concerns the adjudication of unemployment claims, and therefore pertains to all individuals who may at some time apply for unemployment benefits, as well as VEC staff.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ As the proposed amendments neither increase net costs nor reduce net benefits, no adverse impact is indicated.

² See § 60.2-619(<https://law.lis.virginia.gov/vacode/title60.2/chapter6/section60.2-619/#v2/>) for the relevant Code of Virginia section, and https://oui.doleta.gov/unemploy/pdf/Core_Measures.pdf for the applicable federal regulatory metrics.

³ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁴ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

Small Businesses⁵ Affected:⁶

The proposed amendments do not appear to adversely affect small businesses.

Localities⁷ Affected⁸

The proposed amendments neither disproportionately affect particular localities nor affect costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments do not substantive affect the use and value of private property or real estate development costs.

⁵ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁶ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁷ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.