

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Employment Commission
Virginia Administrative Code (VAC) Chapter citation(s)	16 VAC5-80-20 16 VAC5-80-30
VAC Chapter title(s)	First level appeals; Commission review.
Action title	16 VAC5-80 Amend First level appeals and Commission review
Date this document prepared	11/15/2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast Track

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: There are no monetizable direct costs associated with this regulatory change.</p> <p>Indirect Costs: There are no monetizable indirect costs associated with this regulatory change.</p> <p>Direct Benefits: In terms of measurable economic impact, these regulatory changes are unlikely to have significant economic impact. The aim of the changes is to make the appeals process more straightforward to claimants and employers; and the changes are also aimed at improving efficiencies withing the VEC appeals division to ensure due process afforded to all appellants. The changes reduce overall stringency on the appeals process by requiring less information to be provided with an appeal request from an appellant (the regulant), a request for reopening by an appellant, or by giving the Appeals Examiner discretion to make a summary decision when the appellant does not participate. In practice, these regulatory changes improve the overall claimant experience by making the process less confusing and less stressful.</p> <p>Indirect Benefits: The changes will significantly improve the process for claimants and the VEC by saving time, reducing administrative effort, and streamlining the overall system. Regulatory language will reflect that which is in the statutes.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) 0</p>	<p>(b) Unknown</p>
<p>(3) Net Monetized Benefit</p>		
<p>(4) Other Costs & Benefits (Non-Monetized)</p>		
<p>(5) Information Sources</p>		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: There are no monetizable direct costs associated with maintaining the status quo.</p>
---	--

	<p>Indirect Costs: There are no monetizable indirect costs associated with maintaining the status quo.</p> <p>Direct Benefits: There are no monetizable direct benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no monetizable indirect benefits associated with maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) 0
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no additional alternative approaches as discussed by the VEC.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	No less intrusive or less costly alternatives to achieve the purpose of the regulatory change were identified.	
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) 0	(b) 0
(3) Other Costs & Benefits (Non-Monetized)	The proposed change is not anticipated to impose any direct or indirect costs on local partners. The proposed change is not anticipated to create any direct or indirect benefits to local partners.	
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change. Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	N/A
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
80-20	(M/A):	71	1	-14	-13
	(D/A):	16	1	-2	-1
	(M/R):	13	0	-3	-3
	(D/R):	4	0	-1	-1
80-30	(M/A):	29	0	-1	-1
	(D/A):	13	0	0	0
	(M/R):	7	0	0	0
	(D/R):	2	0	-1	-1
Grand Total of Changes in Requirements:					(M/A): -14 (D/A): -1 (M/R): -3 (D/R): -2

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
80-20	See item #5 in table below	30 min to 1 hour	15-25 min	This change amounts to an approximately 50% reduction in time as the Appeals Examiner is able to issue an

				Order, rather than a decision, when an appellant does not appear for a hearing.
80-20	See item #6 in table below	2 hours	10-20 min	This change amounts to a 75% reduction in time as the Chief Appeals Examiner does not have to prepare for and conduct a hearing on the matter of a reopening. The administrative burden of scheduling, preparing for the hearing, as well as the time reserved to conduct the hearing are reduced from 2 hours to about 10-20 minutes.
8-20	See item 3 below	10-15 min	5-10 min	This change results in about a 50% reduction in time for claimants. The information they have to provide is essentially cut in half because they do not have to provide their SSN or a signature. They simply need their name and a reason for appealing.

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
80-20	<ol style="list-style-type: none"> 1. Update language to say “Virginia Works office” as they are now operated by Virginia works. 2. Removing language to file “by internet” as the regulation was previously updated to include “electronic format” which covers internet, etc. 3. Removing requirement to include last four of SSN and a signature on a request for an appeal as agency is moving away from utilizing such info for security reasons. 4. Remove the factors considered for determining whether to grant an in-person hearing. Language remains to leave the decision up to agency discretion to allow for changes in technology and processes. (D/A reduction) 5. Subsection F. (5) added to include procedures for conducting a hearing and issuing an order when an appellant does not participate in the hearing. 6. Language revised to state a hearing <i>may</i> be conducted on a reopening request. Allows the Chief of Appeals to make a decision on reopening without hearing. 	<ol style="list-style-type: none"> 1. DWDA (Virginia Works) split from VEC, so offices no longer VEC offices. 2. Removes duplicative language; “internet” v. “electronic format”. 3. Less stringent/burdensome to appellants as this change requires less information to be provided to file an appeal. 4. Previous language was overburdensome. This change makes the regulation less stringent to the parties as it allows VEC to expedite appeals process and therefore address claimant & employer appeals in a more efficient and less burdensome manner. It is also less stringent by allowing phone hearings, rather than requiring participants to show up in person, some of which would potentially have to travel a great distance to attend a hearing. It also increases the number of hearings that can be completed in a timely fashion, therefore expediting due process. 5. This change reduces the stringency of the regulations as it allows an Appeals Examiner to address the merits of the case when an appealing party does not participate in a hearing, therefore expediting due process & reducing the agency burden. By allowing the Examiner to issue an order, rather than a decision, the appellant has additional avenues to resolve their claim dispute. Essentially, the

		<p>change gives the Examiners a vehicle to resolve the case when an appellant does not participate in the hearing.</p> <p>6. Reduces agency burden to conduct a hearing on the sole issue of a reopening. This change allows the Appeals Examiner to consider the reasons for granting a reopening without having to set a hearing, which will reduce the overall number of hearings and overall allow more hearings on the merits of a case to take place therefore expediting the appeals process.</p>
80-30	<ol style="list-style-type: none"> 1. Update language to say “Virginia Works office” as they are now operated by Virginia works. 2. Removing language to file “by internet” to include “electronic format” which covers internet, etc. and corresponds with First level appeal filing. 3. Language revised in plain language to explain the date on which an appeal will be deemed “received.” 4. Plain language revision to allow evidence submitted via affidavit in lieu of participation in a hearing. 	<ol style="list-style-type: none"> 1. Update language to say “Virginia Works office” as they are now operated by Virginia works by statute. 2. Brings Commission appeals into agreement with the First Level methods of appeal. Less confusing to appellants. 3. Plain language is less burdensome to appellants. 4. This change is less stringent on appellants as it allows them to submit written evidence via affidavit that will have the same weight as testimony. It gives the parties an option if/when they cannot participate on the date of a hearing.

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).