



Economic Impact Analysis Virginia Department of Planning and Budget

16 VAC 15-10 – Virginia Department of Labor and Industry Public Participation Guidelines

Department of Labor and Industry

June 7, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Department of Labor and Industry (department) proposes to amend the current public participation guidelines to 1) state that the NOIRA, proposed regulations, and final regulations will all be published on the department website and on the Virginia Regulatory Town Hall, 2) state that an electronic public participation notification list will be maintained in addition to the paper mail public participation notification list, 3) eliminate the requirement that the NOIRA and proposed regulations be published in a newspaper, and 4) amend language to reflect the current requirements of the Administrative Process act.

Estimated Economic Impact

Under the Administrative Process Act, all state agencies that promulgate regulations are required to maintain public participation mailing lists containing the names of all parties that have registered an interest in a particular regulation. Membership on these lists typically

includes members of the regulated community, public interest groups, law firms, and individual citizens with an interest in a particular area of regulation.

The proposed regulations state that the NOIRA, proposed regulations, and final regulations will all be published on the department website and on the Virginia Regulatory Town Hall. Proposed language also indicates that an electronic public participation notification list will be maintained in addition to the paper mail public participation notification list. These electronic forms of communication, which all are already in place, increase the speed of notification, increase the amount of information readily available to individuals, and provide new electronic avenues for public participation.

The department proposes to eliminate a requirement that the NOIRA and proposed regulations be published in a Virginia newspaper. The agency reports that it stopped publishing such notices some time ago due to their excessive cost, \$300 to \$500 per day.¹ It is noted that Code § 2.2-4007 gives agencies the discretion as to whether it will publish such notices in the newspaper. Interested individuals that are aware of the paper and electronic notification lists are not likely to receive benefit from newspaper publication. They can reliably be informed through the notifications list rather than hope they happen to read the right section of the right newspaper on the day the information is published. On the other hand, potentially interested individuals who are not aware of the paper and electronic notification lists will lose a method by which they could first learn of regulatory activity. The department believes that it was uncommon for individuals interested in the regulations to first learn of regulatory activity through the newspaper publications. No data is available concerning the frequency that individuals interested in the department's regulations first learn of regulatory activity through the newspaper publications. Hence, the cost to the public of rescinding the newspaper publication requirement cannot be accurately estimated. Since the cost cannot be accurately estimated, it cannot be determined whether the benefit of saving \$300 to \$500 per day plus staff time in placing the ad exceeds the cost. However, the department's experience with newspaper advertisements does give some reason to believe that these changes will result in a net economic benefit.

¹ Source: Department of Labor and Industry

Businesses and Entities Affected

The proposed amendments potentially affect the 66 individuals on the department's electronic list maintained through the Virginia Regulatory Town Hall, the 1,510 officers who issue child labor certificates, the 176,000 employers in the Commonwealth and their 3.6 million employees.²

Localities Particularly Affected

The proposed amendments potentially affect localities throughout Virginia.

Projected Impact on Employment

The proposed amendments are not expected to significantly affect employment.

Effects on the Use and Value of Private Property

There may a small reduction in newspaper advertising.

² All numbers are estimates provided by the Department of Labor and Industry