

COST-BENEFIT ANALYSIS

In performing a cost-benefit analysis, each rulemaking entity must provide the information requested for the cost-benefit analysis to be considered a good faith effort. The cost-benefit analysis must be submitted to the Office of Policy, Research and Regulatory Reform at least ten (10) days before the administrative hearing on the proposed rule and posted on your agency's web site. For all questions, please attach all underlying data that supports the statements or figures stated in this cost-benefit analysis.

DEPARTMENT: Department of Regulatory
Agencies (DORA)

AGENCY: Division of Professions and Occupations –
State Plumbing Board

CCR: 3 CCR 720-1

DATE: June 18, 2021

RULE TITLE OR SUBJECT:
Rule 1.3 - Apprentice Registration and Recordkeeping

Per the provisions of 24-4-103(2.5)(a), Colorado Revised Statutes, the cost-benefit analysis must include the following:

1. The reason for the rule or amendment;

The reason for the new rule is to implement Colorado Senate Bill 20-120 ("SB 20-120"), Concerning Requirements for Registered Apprentices, which was signed into law on July 7, 2020. This new law mandates the Colorado State Plumbing Board ("Board") to promulgate rules about the process of requesting and approving license examination exemptions for a legitimate educational or professional circumstance if an apprentice (who has six or more years of apprentice registration) failed to pass the license examination in two consecutive two-year periods.

2. The anticipated economic benefits of the rule or amendment, which shall include economic growth, the creation of new jobs, and increased economic competitiveness;

As proposed, this Rule would allow apprentices who serve in the U.S. military an exemption to the requirements of the statute while they are deployed. The exemption would be applied when calculating the years of experience toward the six-year requirement to begin testing.

This does not necessarily provide economic benefit but will not penalize individuals who are serving the country.

3. The anticipated costs of the rule or amendment, which shall include the direct costs to the government to administer the rule or amendment and the direct and indirect costs to business and other entities required to comply with the rule or amendment;

The cost to administer the Rule will be for staff time in reviewing a service member's apprentice hours and considering a request for the exemption. This cost can be absorbed into the program's existing budget.

It does not appear there would be additional costs to business as:

- A. The Rule allows the apprentice to stay in the current position for a longer period of time, not increasing the cost of employment for the Plumbing Contractor; and,
- B. Should a qualified apprentice choose to pursue licensure, which would lead to higher pay, they should be allowed to do so.

4. Any adverse effects on the economy, consumers, private markets, small businesses, job creation, and economic competitiveness; and

It does not appear that this Rule would result in any adverse effects on the economy, consumers, private markets, small businesses, job creation, and economic competitiveness.

5. At least two alternatives to the proposed rule or amendment that can be identified by the submitting agency or a member of the public, including the costs and benefits of pursuing each of the alternatives identified.

Alternative I.

An alternative would be to permanently exempt military personnel from retaking the examination as set forth in section 12-115-115, C.R.S. The benefit would be to the military personnel as this would eliminate the cost and the time of re-examination, a cost savings of approximately \$70 each time re-examination is required. The adverse effects to the community, stakeholders, and other apprentices is that military personnel would be treated differently than other apprentices. There is no adverse economic effect, and there does not appear to be any direct cost for businesses or apprentices to comply with this alternative. The cost to administer this alternative will be for staff time in reviewing a service member's apprentice hours and considering a request for the exemption. This cost could be absorbed into the program's existing budget.

Alternative II.

Another alternative is not exempting military personnel from retaking the examination as set forth in section 12-115-115, C.R.S. There appears to be no benefit to this option. This option would not take into consideration military personnel on active deployment, and would require an apprentice to sit for an examination while deployed in another country, often during war time. The adverse effect to the economy could be that apprentices in the U.S. National Guard or other armed services would seek licensure or plumbing employment in another state that recognizes military service hardship. There would be no cost to administer this alternative and the cost to the apprentice military personnel would be the examination fee of \$75 between July 2021 and February 2023, and again between March 2023 and March 2025, and an additional \$70 every two-years thereafter, as well as any costs to defend a professional discipline action for failure to comply with the statute if the military personnel were unable to sit for the examination while deployed in a foreign country.