

WORKING DOCUMENT

Regulatory analysis for proposed rule changes

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**REGULATORY ANALYSIS
FOR
PROPOSED REVISIONS TO COLORADO DEPARTMENT OF LABOR AND
EMPLOYMENT DIVISION OF UNEMPLOYMENT INSURANCE
REGULATION NUMBERS
(7 CCR 1101-2)**

1. SUMMARY

During the 2023 legislative session, Colorado’s General Assembly adopted several revisions to Colorado Employment and Security Act in Senate Bill 22-234¹. As a result, there are specific regulations (rules) of the Colorado Unemployment Division that are no longer consistent with statutory provisions and that are no longer necessary either due to a redundancy, an omission, or have become inapplicable. The proposed revisions addressed within this analysis are part of the division’s attempts to clean up corresponding regulations, bringing them into compliance with statute, and to establish consistency and clarification of terms, phrasing, and definitions to improve comprehension and ease of application.

2. INTRODUCTION

This document satisfies the requirements for a Regulatory Analysis of proposed revisions to the Colorado Unemployment Insurance Regulations. The Colorado Administrative Procedure Act (“APA”)² serves as the legal authority for this rulemaking process, and sets forth requirements for both cost-benefit and regulatory analyses. Under the APA, any person may request an agency engaged in a rulemaking to prepare a regulatory analysis. The regulatory analysis must include:

- A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;
- To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons;
- The probable costs to the agency and to any other agency of the implementation and

¹ See C.R.S. § 8-70-101 *et seq.*

² See Senate Bill 22-234

enforcement of the proposed rule and any anticipated effect on state revenues;

- A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction;
- A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule; and
- A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.

So long as the regulatory analysis is undertaken in good faith, it satisfies the APA.

This Regulatory Analysis evaluates the Division's January 9, 2023 proposed revisions to Regulations 2, 6, 7, 13, 15, and 18, in response to the implementation of Senate Bill 22-234.

3. ANALYSIS

3.1 Regulation Number 2 - Claims for Benefits

3.1.1 Proposed Revisions

The proposed revisions bring the rules into conformity with CESA statutes. Revisions to the regulation include rephrasing statements to make them easier to comprehend and mirroring CESA terminology to make the rule consistent with the statutes.

3.1.2 Class of persons affected

"A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule."

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.1.3 Quantitative and Qualitative Impacts

"To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons."

There would be no quantitative or qualitative impact on any classes of persons from this revision of the regulation.

3.1.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.1.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.1.6 Less costly methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.1.7 Alternative Methods

”[A] description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.

3.2 Regulation Number 6 - Premiums and Assessments

3.2.1 Proposed revisions

Revisions made to Regulation 6 are part of the clean up to CESA following implementation of SB22-234 and due to which certain terms are either redundant or no longer applicable.

3.2.2 Class of Persons Affected

“A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.”

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.2.3 Quantitative and Qualitative Impacts

“To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.”

There is no expected quantitative or qualitative impact from the proposed revisions upon any classes of persons.

3.2.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.2.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.2.6 Less Costly Methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.2.7 Alternative Methods

“A description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.

3.3 Regulation 7 - Employer Records and Reports

3.3.1 Proposed revisions

Proposed revisions to Regulation 7 are part of the clean up to CESA following implementation of SB22-234 and due to which certain terms are either redundant or no longer applicable. Revisions bring rules into conformity with CESA statutory requirements including rephrasing statements for ease of comprehension and mirroring CESA terminology to make rules consistent.

3.3.2 Class of Persons Affected

“A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.”

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.3.3 Quantitative and Qualitative Impacts

“To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.”

There is no expected quantitative or qualitative impact from the proposed revisions upon any classes of persons.

3.3.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.3.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.3.6 Less Costly Methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.3.7 Alternative Methods

“A description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.

3.4 Regulation 13 - Interstate Arrangements

3.4.1 Proposed Revisions

Revisions to Regulation 13 are part of clean up measures following the implementation of SB22-234 in order to make terms and language consistent with those revisions.

3.4.2 Class of Persons Affected

“A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.”

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.4.3 Quantitative and Qualitative Impacts

“To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.”

There is no expected quantitative or qualitative impact from the proposed revisions upon any classes of persons.

3.4.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.4.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.4.6 Less Costly Methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.4.7 Alternative Methods

“A description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.

3.5 Regulation 15 - Benefit Overpayments; Waiver of Recovery

3.5.1 Proposed Revisions

Revisions to Regulation 15 are part of clean up measures following the implementation of SB22-234 and in order to make terms and language consistent throughout CESA and with respect to those revisions. Regulation 15.2.7 and subsections (.1 - .10) were formally moved to CESA making it redundant and unnecessary to have this in the rules.

3.5.2 Class of Persons Affected

“A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.”

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.5.3 Quantitative and Qualitative Impacts

“To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.”

There is no expected quantitative or qualitative impact from the proposed revisions upon any classes of persons.

3.5.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.5.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.5.6 Less Costly Methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.5.7 Alternative Methods

“A description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.

3.6. Regulation 18 - Work Share

3.6.1. Proposed Revisions

The proposed revisions bring the rules into conformity with CESA statutory requirements. Revisions to the rule include rephrasing statements to make them easier to comprehend and mirroring CESA terminology to make the rule consistent with the statutes.

3.6.2 Class of persons affected

“A description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.”

The division does not anticipate that any class of persons will be affected by the proposed rule revisions. The revisions would not result in either a burden or benefit for any class of persons.

3.6.3 Quantitative and Qualitative Impacts

“To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.”

There would be no quantitative or qualitative impact on any classes of persons from this revision of the rule..

3.6.4 Probable Agency Costs

“The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.”

There are no anticipated costs to the agency other than the implementation and enforcement of the revisions to the proposed rule and no anticipated effect on state revenues.

3.6.5 Comparison to Inaction

“A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.”

There is no economic cost or benefit that can be attributed to the proposed revisions. There is benefit to cleaning up the rules as compared to statute to preclude confusion, facilitate ease of use and comprehension, and to eliminate redundancies, gaps, contradictions, or discrepancies between the rules and statute. Inaction would contradict these initiatives.

3.6.6 Less costly methods/Less Intrusive Methods

“A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.”

There are no costs associated with making these proposed revisions. Revision of the rule is the most effective method and least intrusive means to achieve the desired results.

3.6.7 Alternative Methods

”[A] description of any alternative methods for achieving the purpose of the proposed rule that the agency seriously considered and the reasons why they were rejected in favor of the proposed rule.”

There are no alternative methods.