

Proposed

State of Kansas

Kansas Board of Regents

Notice of Hearing on Proposed Revocation of Administrative Regulations

The Kansas Board of Regents will conduct a public hearing to consider the revocation of K.A.R. 88-10-1, K.A.R. 88-10-2, K.A.R. 88-10-3, K.A.R. 88-10-4, K.A.R. 88-10-5, K.A.R. 88-10-6, K.A.R. 88-10-7, K.A.R. 88-10-8, K.A.R. 88-10-10, K.A.R. 88-10-12, K.A.R. 88-11-1, K.A.R. 88-11-2, K.A.R. 88-11-3, K.A.R. 88-11-4, K.A.R. 88-11-5, K.A.R. 88-11-6, K.A.R. 88-11-7, K.A.R. 88-11-8, K.A.R. 88-11-9, K.A.R. 88-11-11, K.A.R. 88-11-12. The hearing will be held at 10:00 a.m. on August 18, 2020, in the Kansas Board of Regents Boardroom, 1000 SW Jackson St., Suite 520, Topeka, KS 66612.

This 60-day notice of the public hearing shall constitute a public comment period for receiving written public comments on the proposed revocation of the regulations. All interested parties may submit comments prior to the hearing to Renee Burlingham at the Kansas Board of Regents' above address at (785) 430-4239 or via email to rburlingham@ksbor.org. All interested parties will be given a reasonable opportunity to present their views orally on the proposed revocation of the regulations during the hearing. To provide all parties with an opportunity to present their views, it may be necessary to request each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Renee Burlingham through the contact information listed above. Individuals with hearing and/or speech disabilities may contact the Kansas Relay Center at 800-766-3777 for communication accommodations.

Copies of the proposed regulations and the economic impact statement may be found at <http://www.kansasregents.org/about/rules-regulations> or by contacting Renee Burlingham.

A summary of the proposed regulations and the economic impact statement of the regulation follows: The revocation of these regulations will not enhance or restrict business activities. It will clarify that the Kansas Board of Regents Voluntary Retirement Plan is administered pursuant to the state statutes and the written Voluntary Plan document. This will be beneficial to plan participants and participating companies because it eliminates the regulations, which were not updated in 2005 despite a major revision to the governing statutes, K.S.A. 74-4925 and K.S.A. 74-4925(b).



88-10-1, 88-10-2, and 88-10-3. (Authorized by K.S.A. 1984 Supp. 74-4925; implementing K.S.A. 1984 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

88-10-4. (Authorized by and implementing K.S.A. 1991 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; amended June 7, 1993; revoked P-_____.)

88-10-5. (Authorized by K.S.A. 1984 Supp. 74-4925; implementing K.S.A. 1984 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

88-10-6. (Authorized by K.S.A. 1986 Supp. 74-4925; implementing K.S.A. 1986 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; amended May 1, 1988; revoked P-_____.)

88-10-7 and 88-10-8. (Authorized by K.S.A. 1984 Supp. 74-4925; implementing K.S.A. 1984 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

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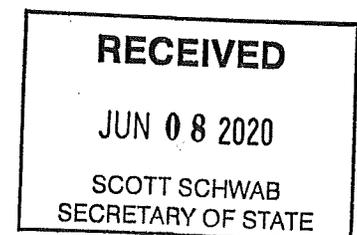
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88-10-10. (Authorized by K.S.A. 1984 Supp. 74-4925; implementing K.S.A. 1984 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

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88-10-12. (Authorized by K.S.A. 1984 Supp. 74-4925; implementing K.S.A. 1984 Supp. 74-4925; effective, E-74-12, Dec. 28, 1973; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

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88-11-1, 88-11-2, 88-11-3, and 88-11-4. (Authorized by K.S.A. 74-4925b; implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

88-11-5. (Authorized by and implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; amended June 7, 1993; revoked P-_____.)

88-11-6. (Authorized by K.S.A. 74-4925b; implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

88-11-7. (Authorized by K.S.A. 74-4925b; implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; amended May 1, 1988; revoked P-_____.)

88-11-8 and 88-11-9. (Authorized by K.S.A. 74-4925b; implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

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88-11-11 and 88-11-12. (Authorized by K.S.A. 74-4925b; implementing K.S.A. 74-4925b; effective, E-74-34, July 2, 1974; effective May 1, 1975; amended, T-85-31, Nov. 14, 1984; amended May 1, 1985; revoked P-_____.)

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**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

Proposed

Kansas Board of Regents
Agency

Natalie Yoza
Agency Contact

785-430-4236
Contact Phone Number

88-10-1 et seq. and 88-11-1 et seq.
K.A.R. Number(s)

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to: Division of the Budget
900 SW Jackson, Room 504-N
Topeka, KS 66612

I. Brief description of the proposed rule(s) and regulation(s).

The Kansas Board of Regents (Board) administers a Voluntary Retirement Plan for eligible employees. The Board's retirement plan regulations, K.A.R. 88-10-1 et seq. and K.A.R. 88-11-1 et seq., were last amended in the 1980s or the early 1990s. The regulations were not updated in 2005 despite a major revision to the governing statutes, K.S.A. 74-4925 and K.S.A. 74-4925(b). It is the Board's position that the 2005 statutory changes constructively revoked the regulations and it would be prudent to make that clear by formally revoking them. Since the Plan is currently operated pursuant to statute and a written Plan Document, the revocation of the regulations will not impact Plan administration.

This proposed revocation coincides with a larger project the Board's Retirement Plan Committee has undertaken to enhance benefits for Plan participants by reducing expenses; improving fund selection and investment opportunities; simplifying Plan administration; providing industry-leading financial education opportunities; and enhancing the Board's oversight. Keeping the outdated regulations on the books could cause confusion regarding the governing rules of the Plan.

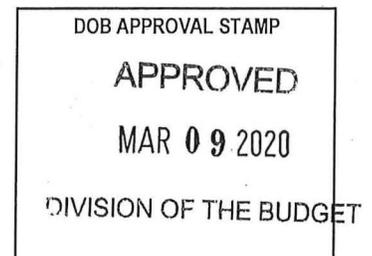
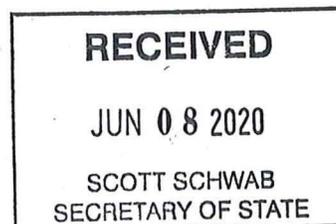
II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)

The revocation of the rules and regulations is not mandated by the federal government.

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The revocation of these regulations is not anticipated to enhance or restrict business activities and growth. The Board will continue to administer the Voluntary Retirement Plan pursuant to its statutory authority and the Voluntary Plan Document.



- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;**

The revocation of the retirement regulations is not anticipated to have an economic effect. No implementation or compliance costs will be imposed on businesses, sectors, public utility ratepayers, individuals, or local governments.

- C. Businesses that would be directly affected by the proposed rule and regulation;**

To the extent the regulations were constructively revoked in 2005, businesses would not be directly affected by the proposed revocation. Assuming the regulations are applicable, several of the regulations impose requirements on companies participating in the Voluntary Plan, such as verification of federal compliance, filing requirements to be approved for Plan participation, and registration requirements before soliciting business from eligible employees. There are currently six companies authorized to accept new enrollment in the Voluntary Plan: VALIC, Ameriprise Financial Services, Inc., Security Benefit Life Insurance Co., TIAA, Voya, Waddell & Reed Financial Services. And there are seven additional companies that are frozen to new participants: American Century Investments, Lincoln Investment Planning, Inc, Lincoln Life, Lincoln National Life Insurance Co., Modern Woodmen, ReliaStar Life Insurance Co., Thrivent Financial for Lutherans. The revocation of these regulations would remove those regulatory requirements on these companies, but it should be noted that fiduciary law, contracts with the authorized companies, requirements imposed by our Plan administrator, and the Voluntary Plan Document will continue to apply.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;**

Revoking the regulations is beneficial because it will remove obsolete language and clarify the law for Plan participants and employees at the Board office/state universities charged with managing the retirement plans. The Board does not believe there is a cost associated with the revocation.

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;**

Board staff consulted the Plan's investment consultant and the Board's Retirement Plan Committee—whose members are subject matter experts in human resources, benefits, and business and finance—to ensure that revoking the regulations would not negatively impact administration of the Plan.

- F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.**

\$00

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

YES NO

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Give a detailed statement of the data and methodology used in estimating the above cost estimate.

The determination that there would be no annual implementation and compliance costs was based on the conclusion that revoking the regulations would not impact the Voluntary Retirement Plan's administration. Since the Board will continue administering the Voluntary Plan, the revocations are not reasonably expected to pass along expenses to businesses, local governments, or members of the public.

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES NO

Total implementation costs are not expected to exceed \$3 million, so a public hearing was not held at the time of submittal.

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

The revocation of the retirement regulations will not increase or decrease revenue of cities, counties, or school districts.

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

Board staff notified the current Voluntary Retirement Plan participants, the General Counsel's Office at each state university, benefits personnel at each state university, and the companies currently participating in the Voluntary Retirement Plan. Several Plan participants sought additional information regarding the revocations, particularly seeking assurances that the Voluntary Plan would continue to be offered. No objections to revoking the revocations were noted.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

This is not an environmental rule and regulation.

