

**State of Kansas**

**Department of Administration**

**Notice of Public Hearing on Proposed Administrative Regulations**

**April 29, 2021**

A public hearing will be conducted on Thursday, July 15, 2021 at 11:00 a.m. to consider the adoption of proposed changes to existing rules and regulations of the Division of Accounts and Reports, Department of Administration, on a permanent basis. These are Kansas Administrative Regulations 1-18-1a and 1-18-2. Due to continuing concerns regarding COVID-19, the public hearing will be held virtually, instead of in-person. Those that wish to address Accounts and Reports regarding the proposed changes can register via Zoom at:

<https://www.zoomgov.com/meeting/register/vJl5d-GhrD0jHT11O6KYxWt8D9WjTSAQzS4> or by contacting Tamara Emery via email at [tamara.d.emery@ks.gov](mailto:tamara.d.emery@ks.gov) or by calling (785) 296-2707.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Office of Accounts and Reports, Attn: Tamara Emery, 700 S.W. Harrison, Suite 300, Topeka, Kansas 66603, or by email to [tamara.d.emery@ks.gov](mailto:tamara.d.emery@ks.gov). All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed changes during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request an accommodation 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 Tamara Emery at (785) 296-2707 or TTY 1-800-766-3777.

K.A.R. 1-18-1a currently prescribes the standards and requirements for reimbursement of expenses incurred when an employee of the state of Kansas uses a privately-owned conveyance on official business. The amendment to this regulation which is proposed on a permanent basis, seeks to update the language contained in the regulation, including previous publishing errors and grammatical issues. While employees and officials are expected to exercise care in incurring expenses and the State of Kansas supports the position of least costly, the amendment of K.A.R. 1-18-1a allows all relevant factors such as the urgency of the travel, nature of travel, type of vehicle required for the number of passengers, tool or equipment load, employee time and effort, proximity to rental or state vehicles as relevant variables that are to be considered, in addition to cost. Further, language is introduced which gives the agency designee authority to approve K.A.R. 1-18-1a travel reimbursement provisions when deemed appropriate and in the best interest of the State.

K.A.R. 1-18-2 addresses the applicability of K.A.R. 1-18-1, however that regulation was revoked in 1979 and the statute referenced, K.S.A. 1973 Supp. 75-4606, was repealed in 1988. The Secretary of Administration proposes to revoke K.A.R. 1-18-2.

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Copies of the proposed regulations and the Economic Impact Statements for the proposed regulations can be viewed at the following website:

<https://publicsquare.ks.gov/calendars/agency/2021/07/15/administration/public-hearing>.

Summaries of the proposed regulations and their economic impact follows: (Note: Statements indicating that a regulation is “not anticipated to have any economic impact” are intended to indicate that no economic impact on the Accounts and Reports - Department of Administration, other state agencies, state employees, or the general public has been identified.)

**K.A.R. 1-18-1a. Mileage rates.** This regulation addresses the standards and requirements for reimbursement of expenses incurred when an employee of the state of Kansas uses a privately-owned conveyance. Substantive changes are proposed to this regulation to update the wording to current standardized language, grammar usage, while also providing agency heads discretion to determine whether to reimburse at the mileage rate as published by the Division of Accounts and Reports or the lower cost of another mode of transportation.

**K.A.R. 1-18-2. Applicability.** This regulation is proposed to be revoked as the regulation references the provisions of K.A.R. 1-18-1 which was revoked on May 1, 1979 and statute K.S.A. 1973 Supp. 75-4606 which was repealed in 1988. Revocation to this K.A.R. will have no economic impact.

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1-18-1a. Mileage rates. ~~(a) Subject to the provisions of subsection (d), each employee who has been authorized to use a privately owned conveyance to engage in official business for an agency shall be entitled to reimbursement for the use of that conveyance at a rate established in accordance with K.S.A. 75-3203a, and amendments thereto. Notice of the mileage reimbursement rates established in accordance with K.S.A. 75-3203a, and amendments thereto, shall be published in an informational circular by the division of accounts and reports.~~

~~(b) In addition to the mileage allowance authorized under subsection (a) of this regulation, the employee may be reimbursed for the following expenses:~~

- ~~(1) Parking fees when on an official trip;~~
- ~~(2) toll road and toll bridge costs; and~~
- ~~(3) airplane landing and tie-down fees.~~

~~(c) When an employee travels by privately owned airplane, reimbursement may be made for one round trip in a privately owned automobile or for local transportation charged in travel under these conditions:~~

- ~~(1) Between the official station or domicile and the airport in the city in which the official station or domicile is located; and~~
- ~~(2) between the airport in the destination city and the place of official business.~~

~~(d) Exceptions to the mileage rates established in accordance with K.S.A. 75-3203a, and amendments thereto, shall be as follows.~~

~~(1) If a mode of transportation is available and is less costly than transportation by privately owned conveyance, mileage payments for use of a privately owned conveyance shall be limited to the cost of that other mode of transportation.~~

~~(2) An agency may pay a specified mileage rate that is lower than the rate established in accordance with K.S.A. 75-3203a, and amendments thereto, if an employee's travel is not required by the~~

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agency and the employee is informed of the specified rate in advance of the travel.

(3) ~~For employees of the state of Kansas only, any state employee choosing to use a privately owned automobile when a state owned or state leased vehicle, as defined by K.A.R. 1-17-1, is available for use shall be reimbursed at the central motor pool rate for compact cars, except under either of the following conditions:~~

~~(A) The employee's agency head or the agency head's designee determines that the use of a state-owned or state leased vehicle would be more expensive than the use of the employee's privately owned automobile.~~

~~(B) The employee has a disability that requires the use of a privately owned vehicle that is specially equipped. Any agency designee may approve travel reimbursement to an employee or public official who has been authorized to use a privately owned conveyance to engage in official business for an agency according to any of the following:~~

~~(a) The mileage rate published in the current informational circular by the division of accounts and reports;~~

~~(b) the lower cost of another mode of transportation that is available, if the agency designee has informed the employee or public official of the lower specified rate in advance of the travel; or~~

~~(c) the mileage rate specified in subsection (a), if the agency designee determines that the use of the other mode of transportation that is less costly would not be advantageous or the employee or public official has a disability that requires the use of a privately owned vehicle that is specially equipped.~~

~~(Authorized by and implementing K.S.A. 75-3201 and 75-3203, as amended by L. 2001, Ch. 109, Sec. 2, and 75-3203a, as amended by L. 2001, Ch. 109, Sec. 3; implementing K.S.A. 75-3201, 75-3203, and 75-3203a; effective May 1, 1979; amended, E-80-10, July 11, 1979; amended May 1, 1980; amended, E-81-14, June 12, 1980; amended May 1, 1981; amended, T-83-19, July 1, 1982; amended May 1, 1983; amended, T-84-20, July 26, 1983; amended May 1, 1984; amended, T-85-46, Dec. 19, 1984; amended, T-~~

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86-7, April 1, 1985; amended May 1, 1985; amended, T-86-7, May 1, 1985; amended, T-86-17, June 17, 1985; amended May 1, 1986; amended, T-89-1, Jan. 7, 1988; amended Oct. 1, 1988; amended, T-1-2-28-90, March 1, 1990; amended April 23, 1990; amended, T-1-11-14-90, Nov. 14, 1990; amended Jan. 7, 1991; amended July 12, 1993; amended, T-1-6-28-95, June 28, 1995; amended Aug. 4, 1995; amended, T-1-7-1-96, July 1, 1996; amended Oct. 18, 1996; amended, T-1-7-1-97, July 1, 1997; amended Aug. 8, 1997; amended July 1, 1998; amended, T-1-3-18-99, April 1, 1999; amended June 24, 1999; amended, T-1-7-7-00, July 15, 2000; amended Nov. 3, 2000; amended, T-1-7-2-01, July 2, 2001; amended Oct. 26, 2001; amended P-\_\_\_\_\_.)

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1-18-2. (Authorized by K.S.A. 1975 Supp. 75-3203, 75-3706, 75-4608; effective, E-74-18, April 5, 1974; effective, E-76-5, Jan. 1, 1975; effective, E-76-17, March 27, 1975; effective May 1, 1976; revoked P-\_\_\_\_\_.)

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Proposed

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

Kansas Department of Administration  
Agency

Tamara Emery  
Agency Contact

785-296-2707  
Contact Phone Number

1-18-1a, 1-18-2  
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).**

K.A.R. 1-18-1a prescribes the standards and requirements for reimbursement of expenses incurred when an employee of the State of Kansas uses a privately owned conveyance on official business. K.A.R. 1-18-1a(d) establishes exceptions to the mileage rates established in accordance with K.S.A. 75-3203a, and amendments thereto. Specifically, if a state employee chooses to use a privately owned vehicle when a state-owned or -leased motor vehicle is available for use, reimbursement shall be limited to the central motor pool rate for compact cars.

The proposed amendments for K.A.R. 1-18-1a are as follows:

1. The majority of K.A.R. 1-18-1a is stricken and language is introduced which gives agency heads or the agency designee greater flexibility in determining reimbursement allowances for use of private vehicles.
2. Reference to K.S.A. 75-3201 is amended into the provisions and history to expressly support K.A.R. 1-18-1a's applicability to state employees and the term "employee" is amended into every instance that "public official" is noted, as supported by K.S.A. 75-3201.

K.A.R. 1-18-2 is an obsolete applicability clause referencing K.A.R. 1-18-1 which was revoked on May 1, 1979. The proposed amendment revokes K.A.R. 1-18-2.

**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)***

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K.A.R. 1-18-1a is not mandated by the federal government as a requirement for participating in or implementing a federally subsidized or federally assisted program. This regulation does not exceed applicable requirements of federal law. A review of travel policies of three border states (Missouri, Nebraska, and Oklahoma) was conducted. In each case, the travel policies contain language supporting the respective administration's role of providing guidance to agencies in determining the most cost-effective and reasonable modes of travel. The amendment of K.A.R. 1-18-1a brings Kansas' approach to mileage reimbursement into alignment with these surrounding states.

The revocation of K.A.R. 1-18-2 is not mandated by the federal government as a requirement for participating in or implementing a federally subsidized or federally assisted program.

### **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;**

There currently are statewide contracts for rental vehicles. The primary contract is with Enterprise Leasing Co of KS LLC and the secondary contract is with Eagle Automotive LLC. These statewide contracts are open-ended and do not contain a guarantee of volume. The proposed amendments to K.A.R. 1-18-1a(d) could reduce business activity to these two suppliers. However, the potential for such reduction is unknown and would be dependent upon the agency head (or designee) exercising the option to determine instances where using a rental vehicle is less advantageous to the agency.

The revocation of K.A.R. 1-18-2 will not enhance or restrict business activities and growth.

#### **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;**

##### **Economic Cost -**

Except for the potential for reduction of state agency use of the statewide contract described in III. A. above, there is no anticipated or perceived economic compliance cost for other businesses, sectors, public utility ratepayers, individuals or local governments.

State agencies could experience some level of increase in actual direct travel costs for trips where the agency head or designee has determined that the overall benefit of avoiding administrative overhead costs (such as travel mode cost comparisons, and the value of time required to obtain the rental vehicle) exceeds any direct travel cost increase. The Department of Administration anticipates any such direct travel reimbursement increase would be an agency choice to be absorbed into the agency's existing approved budget.

##### **Economic Benefit -**

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Based on feedback the Department of Administration has received, non-cabinet agencies (with statutory governing boards or commissions) strongly support the flexibility the proposed amendment offers due to the location of board members homes, the meeting locations, and the locations of the rental vehicle suppliers under the statewide contract.

In addition, the controllers of the Kansas Board of Regents' Institutions expressed favor with removing the restrictions within the current provisions of K.A.R. 1-18-1a(d) and cumulatively estimate the value of annual compliance cost avoidance at \$1.3 million.

The revocation of K.A.R. 1-18-2 will not have an economic effect on specific businesses, sectors, public utility ratepayers, individuals, local governments, or the state economy as a whole.

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

As described in III. A. above, businesses that could be directly affected by the proposed amendments to K.A.R. 1-18-1a(d) would be limited to vendors (suppliers) of the existing statewide vehicle rental contracts. Additionally, in regard to fleet vehicles, even though the state's central motor pool was dissolved, the Department of Administration continues to sell fuel within Topeka that can be purchased when an employee utilizes a rental car. Any reduction in rental vehicle transactions, could lead to a corresponding reduction in the number of transactions where fuel is purchased from the Department of Administration.

The revocation of K.A.R. 1-18-2 will not directly affect any businesses.

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

The benefits of the proposed amendments to K.A.R. 1-18-1a come in the form of cost-avoidance for state agencies. The current language of K.A.R. 1-18-1a(d) requires a cost comparison calculation between the available rental vehicle and the privately owned vehicle for reimbursement purposes without consideration to other factors that may affect the choice of the most efficient/advantageous mode of transportation, including: urgency of the trip, proximity of the traveler to rental or state vehicle locations, employee time and effort, and other administrative costs.

The revocation of K.A.R. 1-18-2 will not have benefits nor costs.

**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;**

The proposed amendments to K.A.R. 1-18-1a if adopted, are widely expected to be one such measure that minimizes overall cost and supports cost effectiveness and reasonable modes of transportation.

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The revocation of K.A.R. 1-18-2 is considered clean-up and has no cost nor impact on business and economic development within the State of Kansas, local government, and individuals.

- 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.**

The estimate is \$0. It is reasonable and probable that no compliance costs are expected to be incurred by or passed along to business, local governments or members of the public. Click here to enter amount.

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

YES ☐ NO ☒

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

The proposed amendments to K.A.R. 1-18-1a(d) and the revocation of K.A.R. 1-18-2 have no annual implementation or compliance costs.

**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 ☐  
(Not Applicable)

- 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 League of Kansas Municipalities, Kansas Association of Counties, and the Kansas Association of School Boards were all contacted regarding the proposed amendment of K.A.R. 1-18-1a and the proposed revocation of K.A.R. 1-18-2, and no objections were raised by any of the organizations. Further, the Kansas Association of Counties expressly supports allowing agency heads greater flexibility in travel circumstances which may necessitate the use of a private vehicle rather than a rental vehicle.

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**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).**

In recent years, the Department of Administration has received various forms of input (concern) from multiple agencies over enforcement of the current cost comparison provisions found within K.A.R. 1-18-1a. The proposed amendments are designed to alleviate these agency concerns. Aside from the efforts explained in section G. above, businesses and members of the public have not been specifically contacted because no impact for these groups is anticipated or foreseen.

**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).**

The amendment to K.A.R. 1-18-1a is not an environmental rule or regulation.

The revocation to K.A.R. 1-18-2 is not an environmental rule or regulation.

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