

Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Department of Administration
Agency

Jennifer Efirid
Agency Contact

785-368-8165
Contact Phone Number

1-16-21
K.A.R. Number(s)

Permanent Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

- Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.
- No If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?
- Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.
- No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

DOB APPROVAL STAMP (If Required)

Section I

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

The proposed amendment will allow agency head or head's designee to approve job-related organizational membership fees or professional license fees and dues in the name of an individual. The expenditures would be eligible to pay direct or by employee reimbursement. When possible, memberships in organizations should be held in the name of the state agency.

Section II

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

N/A

Section III

Agency analysis specifically addressing the following:

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

The amendment will enhance employee retention and employee growth throughout Kansas state agencies. Memberships and professional licenses are required for specific job positions. Additional certifications may also be required to stay current in industry standards.

- 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(s) and regulation(s) and on the state economy as a whole;

Anticipated costs include an increase in direct expenditures for agencies that choose to pay directly (or through employee reimbursement) for professional licenses, membership fees, or certifications. Employees of state agencies will have a savings if currently paying for a job-related license or fee.

In current agency recruitment salary negotiations agencies are not able to cover the cost of the professional license/membership directly for an incoming employee when it is requested as part of the salary package. It has been reported that some agencies will instead counteroffer with an increase to the base salary by the annual cost of such license/membership. As a result, the cost to the agency exceeds the actual cost of direct payment for the license as the taxable wages generate fringe benefit costs to the agency.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s).

State of Kansas agencies with positions that require professional certifications, job-related organizational memberships, or professional licenses.

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

The primary benefit is increased flexibility for agencies in the recruitment and retention of professionally licensed state employees. In addition, updating the regulation will allow agency-level budgeting and tracking of expenditures for licenses/dues/fees vs. the expenditures being included in salary and wages when such requests are addressed by an agency as a salary increase rather than a direct pay or expense reimbursement to the employee.

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;

If the state agency head does not see a correlation for an individual to have the organizational membership or professional license fees, the proposed amendment states it shall be in the name of the state agency.

The attached Professional Development Repayment Agreement draft form proposes repayment of individual fees if employees separate employment within 12 months after successful completion.

F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.

Note: Do not account for any actual or estimated cost savings that may be realized.

Costs to Affected Businesses – \$N/A

Costs to Local Governmental Units – \$N/A

Costs to Members of the Public – \$N/A

Total Annual Costs – \$N/A

(sum of above amounts)

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

The proposed regulation expenditures are not currently tracked separately.

- Yes If the total implementation and compliance costs exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing 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.
- No
- Not Applicable

If applicable, click here to enter public hearing information.

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

None

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Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

The accounting code of the current membership expenses is combined with other agency expenditures and current expenses entered to a separate account code. A new account code in SMART would be implemented after the regulation amendment is filed for economic tracking.

- 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.

N/A

- 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).

N/A

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- Yes If yes, complete the remainder of Section IV.
 No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

[Click here to enter agency response.](#)

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

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- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

[Click here to enter agency response.](#)

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

[Click here to enter agency response.](#)

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Kansas Administrative Regulations
Economic Impact Statement
Public Hearing Certification
(To be completed after the public hearing)

Agency: [Click here to start typing](#)

Agency Contact: [Click here to start typing](#)

Phone Number or Email: [Click here to start typing](#)

K.A.R. Number(s): [Click here to start typing](#)

Public Hearing Date: [Select date](#)

Public Hearing Time: [Click here to start typing](#)

Public Hearing Location: [Click here to start typing](#)

Public Hearing Attendance: [Click here to start typing](#)

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