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6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

This rulemaking was undertaken to address the Governor's request that agencies eliminate rules that are antiquated, redundant, or otherwise unnecessary. The Department determined the rules, as they currently exist, are antiquated and redundant because they focus on the means of transportation, by a public or private provider or by vanpool, rather than on reducing travel by any means of transportation. The amended rules focus on reducing travel by any means of commuter transportation. This includes not only public and private providers and vanpool but also some means, such as light rail and bicycle, which were not addressed in the existing rules.

The rulemaking relates, in part, to a five-year-review report approved by the Council on February 7, 2017. An exemption from Executive Order 2017-02 was provided for this rulemaking by Mara Mellstrom, Policy Advisor in the Governor's Office, in an e-mail dated July 7, 2017.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department did not review or rely on a study in its evaluation of or justification for any rule in this rulemaking.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. A summary of the economic, small business, and consumer impact:

The rulemaking does not change the substance of the rules regarding travel reduction. As a result, the economic impact is minimal. There will be minimal, if any, economic impact on employees or transportation providers. The Department incurred the cost of making the rules but will have the benefit of complying with the Governor's request.

10. A description of any changes between the proposed rulemaking, including supplemental notices, and the final rulemaking:

In response to comments by GRRC staff, minor word-choice changes were made in R2-1-801(4), R2-1-803(B)(1) and (2), and R2-1-804(A). Also, a more detailed explanation of the Department's reasons for the rulemaking was added to item 6 of the Preamble.

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to comments:

No comments were received regarding the rulemaking. No one attended the oral proceeding on January 8, 2018.

12. All agencies shall list any other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

No rule in the rulemaking involves a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

No federal law is directly applicable to the subject of any rule in this rulemaking

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rule:

None

14. Whether the rule was previously made, amended, or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

No rule in the rulemaking was previously made, amended, or repealed as an emergency rule.

15. The full text of the rules follows:

**TITLE 2. ADMINISTRATION
CHAPTER 1. DEPARTMENT OF ADMINISTRATION
ARTICLE 6. ~~ADJUSTED WORK HOURS~~ REPEALED**

Section
R2-1-601. ~~Definitions~~ Repealed



- R2-1-602. ~~Requirements Renumbered~~
- R2-1-603. ~~Monitoring Repealed~~

ARTICLE 8. REIMBURSEMENT FOR PUBLIC OR PRIVATE TRANSPORTATION TRAVEL REDUCTION PROGRAMS

Section

- R2-1-801. ~~Definitions~~
- R2-1-802. ~~Eligibility for Commuter Transportation Program Reimbursement Subsidy Eligibility~~
- R2-1-803. ~~Commuter Transportation Program Reimbursement Subsidy Amount~~
- R2-1-804. ~~Commuter Transportation Program Reimbursement Subsidy Procedure~~
- R2-1-602R2-1-805. ~~Transportation Program Reduced-Cost Procedure Adjusted Work Hours~~

ARTICLE 9. REIMBURSEMENT FOR VAN POOL TRANSPORTATION REPEALED

Section

- R2-1-901. ~~Definitions Repealed~~
- R2-1-902. ~~Vanpool Reimbursement Subsidy Eligibility Repealed~~
- R2-1-903. ~~Vanpool Reimbursement Subsidy Amount Repealed~~
- R2-1-904. ~~Vanpool Reimbursement Subsidy Procedure Repealed~~
- R2-1-905. ~~Vanpool Reduced-Cost Procedure Repealed~~

ARTICLE 6. ADJUSTED WORK HOURS REPEALED

R2-1-601. Definitions Repealed

In this Article, unless the context otherwise requires:

1. ~~“Agency head” means the head of each department, agency, board and commission of this state.~~
2. ~~“Area A” has the same meaning in A.R.S. § 49-541(1).~~
3. ~~“Area B” has the same meaning in A.R.S. § 49-541(2).~~
4. ~~“Director” means the Director of the Department of Administration or the Director’s designee.~~
5. ~~“Employee” means any person elected or appointed to a state position, or employed on a part-time or full-time basis by a department, agency, board, or commission of this state.~~
6. ~~“Period” means October 1 through the following April 1.~~
7. ~~“Travel Reduction Survey Data” means information collected pursuant to A.R.S. § 49-588, Pima County Ordinance 1988-72, and Pinal County Ordinance 121300-AQ1.~~

R2-1-602. Requirements Renumbered

R2-1-603. Monitoring Repealed

The Director shall utilize existing travel reduction survey data to determine the percentage of employee work schedules that are in compliance with R2-1-602(A).

ARTICLE 8. REIMBURSEMENT FOR PUBLIC OR PRIVATE TRANSPORTATION TRAVEL REDUCTION PROGRAMS

R2-1-801. Definitions

In this Article, unless otherwise specified:

1. ~~“Bus” means a motor vehicle designed to carry 16 or more passengers, including the driver.~~ “Agency head” means the head of each department, agency, board, and commission of this state.
2. ~~“Commute” means travel to and from an employee’s place of employment.~~ “Area A and Area B” have the same meaning in A.R.S. § 49-541.
3. ~~“Commuter transportation” means a mode of transportation used by an eligible employee to travel to or from the eligible employee’s place of employment and made available to the eligible employee by a transportation provider under contract with the state of Arizona.~~
- 3.4. ~~“Director” means the chief executive officer~~ Director of the Department of Administration or the director’s designee.
- 4.5. ~~“Eligible employee” means an individual who is employed by the state of Arizona~~ employee, in pay status, and lives or works in a vehicle emissions control area, as defined in A.R.S. § 49-541 Area A or Area B, except a university employee or an employee of the State Compensation Fund under A.R.S. § 23-981.01.
6. ~~“Employee” means an individual elected or appointed to a state position, or employed on a part-time or full-time basis by a department, agency, board, or commission of this state.~~
- 5.7. ~~“Pay status” has the meaning in R2-5A-101.~~
- 6.8. ~~“Private transportation” means the conveyance of passengers, by a commercial enterprise, on scheduled routes by bus for which an individual passenger pays a fare.~~ “Period” means October 1 through the following April 1.
7. ~~“Public transportation” has the meaning in A.R.S. § 41-710.01(B).~~
- 8.9. ~~“Reduced cost” means an eligible employee’s share the portion of the total cost of public or private commuter transportation that is paid by an eligible employee remains after the reimbursement subsidy is paid.~~
- 9.10. ~~“Reimbursement subsidy” means the portion of the total cost of public or private commuter transportation that is paid on behalf of an eligible employee to a transportation provider through a contract with the state of Arizona on behalf of an eligible employee under A.R.S. § 41-710.01.~~
10. ~~“Transportation card” means the evidence of an eligible employee’s participation in a transportation program, issued to the employee by the Department of Administration.~~
11. ~~“Transportation program” means a system for reimbursement or subsidy of public or private transportation expenses under A.R.S. § 41-710.01.~~ “Telework” has the same meaning as at 5 U.S.C. 6501.



- 12. "Transportation provider" means:
 - a. An incorporated city or town.
 - b. A regional public transportation authority established under A.R.S. § 48-5102.
 - c. A regional transportation authority established under A.R.S. § 48-5302.
 - d. A commercial enterprise, or
 - e. An Arizona state agency.

R2-1-802. Eligibility for Commuter Transportation Program Reimbursement Subsidy Eligibility

- A.** The Director shall pay a reimbursement subsidy on behalf of an eligible employee who:
 - 1. ~~Commutes by public or private transportation;~~ Completes an application, using a form available from the Department of Administration, for authorization to pay the reduced cost for commuter transportation; and
 - 2. ~~Is enrolled in a transportation program; and~~ Uses commuter transportation to travel to or from the eligible employee's place of employment.
 - 3. ~~Has authorized payroll deductions under A.R.S. § 38-612(B)(9).~~
- B.** An eligible employee who uses public or private bus or light rail as a means of commuter transportation shall:
 - 1. Authorize payroll deduction under A.R.S. § 38-612(B)(9) of the reduced cost; and
 - 2. As a condition of being authorized to pay the reduced cost for commuter transportation and being issued a transportation card, agree:
 - a. Not to allow anyone else to use the transportation card;
 - b. To use the transportation card only for commuter transportation unless the eligible employee incurs the transportation provider's maximum monthly charge;
 - c. To maintain payroll deduction authorization;
 - d. To notify the Department of Administration if the transportation card is lost or stolen;
 - e. To pay \$5 on a payroll deduction to replace a lost, damaged, or stolen transportation card;
 - f. To surrender the transportation card upon termination of employment with the state; and
 - g. That use of the transportation card after receiving notice of a change to the terms of using the transportation card constitutes agreement to the change.

R2-1-803. Commuter Transportation Program Reimbursement Subsidy Amount

- A.** The Director shall determine the amount of reimbursement subsidy, up to 100% of the actual cost of ~~public or private~~ commuter transportation, based upon:
 - 1. The number of eligible employees ~~participating in the program~~ authorized under R2-1-802 to pay reduced cost for commuter transportation;
 - 2. The cost of ~~public or private~~ the commuter transportation; and
 - 3. The amount of state funds appropriated by the Legislature for reimbursement subsidy purposes.
- B.** The Director shall notify an eligible employee of:
 - 1. The initial percentage of reimbursement subsidy before the employee ~~enrolls in the program~~ applies under R2-1-802(A)(1); and
 - 2. Any change in ~~that percentage~~ the amount of reimbursement subsidy at least 30 days before the effective date of the change.

R2-1-804. Commuter Transportation Program Reimbursement Subsidy Procedure

- A.** ~~The A~~ A transportation provider of public or private transportation shall submit a monthly invoice to the Director that itemizes ~~each public or private~~ the total commuter transportation ride taken by costs incurred by each eligible employee.
- B.** The Director shall ~~subtract from the total amount due the percentage of~~ pay the transportation provider the reimbursement subsidy amount for each eligible employee.
- C.** The eligible employee shall pay the reduced cost to the transportation provider either directly or, if required under R2-1-802(B), through payroll deduction.

~~R2-1-602~~R2-1-805. Transportation Program Reduced Cost Procedure Adjusted Work Hours

- A.** ~~An eligible employee seeking to pay a reduced cost shall complete, sign, and submit an application and payroll deduction authorization form to the office designated by the Department of Administration. The application form shall contain the following: During the period, each agency head shall provide work schedule options so a minimum of 85 percent of employees whose offices are located in Area A or Area B are on adjusted work hours. Adjusted work hours are schedules that:~~
 - 1. ~~The employee's name and employee identification number;~~ Begin the workday on or before 7:30 a.m., or on or after 8:30 a.m., and conclude the workday on or before 4:30 p.m., or on or after 5:30 p.m.;
 - 2. ~~The name and mailing address of the state agency compensating the employee;~~ Adjust work hours into a four-day, 40-hour work week. Employees shall avoid a workday that begins between 7:30 a.m. and 8:30 a.m. or concludes between 4:30 p.m. and 5:30 p.m., whenever possible; or
 - 3. ~~For public transportation, the type of public transportation card requested; and~~ Allow the employee to telework.
 - 4. ~~The employee's agreement to comply with the conditions in subsection (B).~~
- B.** ~~As a condition of receiving a transportation card, an eligible employee shall agree: Notwithstanding the requirements of subsection (A), each agency shall comply with A.R.S. § 38-401 requiring state offices to be open from 8:00 a.m. until 5:00 p.m.~~
 - 1. ~~Not to allow anyone else to use the transportation card;~~
 - 2. ~~To use the transportation card only for trips to and from work with a state agency, board, or commission, unless the employee incurs the maximum monthly charge in commuting;~~
 - 3. ~~To be responsible for charges incurred with the transportation card;~~
 - 4. ~~To notify the office designated by the Department of Administration if the transportation card is lost or stolen;~~
 - 5. ~~To pay \$5 on a payroll deduction to replace a lost, damaged, or stolen transportation card;~~
 - 6. ~~To surrender the transportation card upon termination of employment with the state; and~~



7. That use of the transportation card after receiving notice from the Department of Administration of change in the transportation program policies constitutes the employee's agreement to the change.

ARTICLE 9. REIMBURSEMENT FOR VAN POOL TRANSPORTATION REPEALED

R2-1-901. Definitions Repealed

In this Article, unless otherwise specified, the following terms apply:

1. "Commute" means travel to and from an employee's place of employment.
2. "Director" means the chief executive officer of the Department of Administration or the Director's designee.
3. "Eligible employee" means an individual who is employed by the state of Arizona, in pay status, and lives or works in a vehicle emissions control area, as defined in A.R.S. § 49-541, except a university employee or an employee of the State Compensation Fund under A.R.S. § 23-981.01.
4. "Pay status" has the meaning in R2-5A-101.
5. "Reduced cost" means an eligible employee's share of the total cost of vanpool transportation that remains after the reimbursement subsidy is paid.
6. "Reimbursement subsidy" means the portion of the total cost of vanpool transportation that is paid, on behalf of an eligible employee, to a regional transit authority or state agency through a contract with the state of Arizona.
7. "Regional transit authority" means a regional transportation authority established under A.R.S. § 48-5302 or regional public transportation authority established under A.R.S. § 48-5102 that operates or licenses a vanpool program.
8. "State agency" means an agency that administers a vanpool program in an area not served by a regional transit authority.
9. "Vanpool" means seven or more persons who commute in a van sponsored by a regional transit authority or in a van that is part of a vanpool administered by a state agency.

R2-1-902. Vanpool Reimbursement Subsidy Eligibility Repealed

The Department shall pay to a regional transit authority or a state agency on behalf of an eligible employee in a pay status who:

1. Commutes in a vanpool operated by the regional transit authority or administered by a state agency, and
2. Has completed the vanpool transportation subsidy application form.

R2-1-903. Vanpool Reimbursement Subsidy Amount Repealed

The Director shall determine the amount of reimbursement subsidy, up to 100% of the actual cost of vanpool transportation, according to the following: the number of eligible employees participating in the program, the cost of vanpooled transportation, and the amount of state funds appropriated by the legislature for reimbursement subsidy purposes. The Director shall notify employees of the initial percentage of subsidy prior to enrollment of the employee in the program and of any change in that percentage prior to the change taking effect.

R2-1-904. Vanpool Reimbursement Subsidy Procedure Repealed

The regional transit authority or state agency shall submit to the Director an invoice that itemizes each eligible employee and the eligible employee's monthly vanpool reimbursement subsidy amount. The Director shall pay the reimbursement subsidy amount upon receipt of the invoice from the regional transit authority or the state agency. The employee shall pay the reduced cost to the regional transit authority or the state agency.

R2-1-905. Vanpool Reduced Cost Procedure Repealed

An eligible employee seeking to pay a reduced cost shall complete the vanpool transportation subsidy application form and submit it to the Department of Administration Travel Reduction Program. The application form shall contain the following:

1. The employee's name and employee identification number,
2. The name and mailing address of the state agency compensating the employee, and
3. The employee's signature.