

**STATE OF CALIFORNIA  
DEPARTMENT OF REHABILITATION  
721 Capitol Mall  
Sacramento, California 95814**

**TITLE 9. REHABILITATIVE AND DEVELOPMENTAL SERVICES**

Client-Owned Vehicle Use, Amending Section 7162.

**NOTICE OF PROPOSED RULEMAKING**

The Department of Rehabilitation (hereinafter “DOR”) proposes to amend title 9, California Code of Regulations section 7162 after considering all comments, objections, and recommendations regarding the proposed action.

**PUBLIC HEARING**

The DOR will hold a virtual public hearing on this proposed action starting at **10:00 a.m. on January 8, 2024**, via Zoom Meeting. At the meeting, any person may present statements or arguments, orally or in writing, relevant to the proposed action. The DOR respectfully requests that any person who makes oral comments also submit their comment in writing as well.

**[Join Zoom Meeting](#)**

Meeting ID: 838 0486 1569  
Passcode: EZZ70t!\*

**Join by Telephone**

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+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 838 0486 1569  
Passcode: 43811175

Closed captioning will be available within the Zoom meeting application. The Department is providing American Sign Language interpreters for this event. The interpreters will be available within the Zoom meeting application.

As a reasonable accommodation, limited in person seating may be available at the hearing in the Department's conference room, 721 Capitol Mall, Sacramento, California 95814. Please email [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov) or dial (916) 558-5825 by 2:00 p.m. on January 3, 2024, if an accommodation is necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will continue on the date noted above until all testimony is submitted, or until 11:00 a.m., whichever is later. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email to [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov).

### **WRITTEN COMMENT PERIOD**

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to:

Department of Rehabilitation  
Office of Legal Affairs and Regulations  
Attn: Michele Welz  
721 Capitol Mall  
Sacramento, California 95814

Comments may also be submitted electronically by email to [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov) or by facsimile to (916) 558-5806.

The written comment period closes at **5:00 p.m. on January 8, 2024**. The DOR will consider only comments received by that time. When commenting, please indicate the proposed rulemaking action to which your comment refers, for example, "section 7162".

## **AUTHORITY**

Sections 19006 and 19016 of the Welfare and Institutions Code authorizes DOR to adopt these proposed regulations.

## **REFERENCE**

The proposed regulations implement, interpret, and make specific the following federal and state laws and regulations: 29 United States Code section 23; 34 Code of Federal Regulations sections 361.5, 361.42, 361.44, 361.46 and 361.48; and Welfare and Institutions Code section 19150.

## **INFORMATIVE DIGEST**

### Summary of Existing Laws and Effect of the Proposed Action

The DOR is the designated state agency providing individualized vocational rehabilitation to Californians with disabilities (clients or consumers) to assist them in preparing for, securing, retaining, advancing in, or regaining an employment outcome in accordance with the Rehabilitation Act of 1973, as amended (29 U.S.C. section 701 et seq.). Depending on the need of the individual client and vocational rehabilitation services approved by DOR, DOR may provide funding to a client for fuel (mileage rate) when they must use their personally owned vehicle to participate in their vocational rehabilitation programs. (29 U.S.C. section 723, 34 C.F.R. section 361.48.)

This rulemaking action amends title 9 of the California Code of Regulations, specifically section 7162, to change the mileage rate used to provide funding to a client for fuel when they must use their personally owned vehicle to participate in their vocational rehabilitation programs. Currently, the mileage rate is established in California Code of Regulations, title 9, section 7162 at \$0.15 per mile and \$0.20 per mile for modified vans. This rate has been in effect since at least 1990, which is when the last substantive change to this regulation was made. This rate is stagnant and does not meet the clients' needs during times of high, fluctuating fuel prices. The current regulation also has a provision for DOR to calculate actual costs of gasoline and oil when it is less than the established mileage rate.

## Objective and Anticipated Benefits of the Proposed Regulation

The proposed changes to California Code of Regulations, title 9, section 7162 are necessary to establish an accurate, updated, mileage rate that fluctuates with the market. Such a mileage rate is necessary to adequately meet the clients' needs when they must use their personally owned vehicle to participate in their vocational rehabilitation programs.

Allowing the mileage rate to fluctuate with the market is beneficial because it ensures funding to the client that is a more accurate reflection of what is taking place in the economy at the time. Having a more accurate, updated mileage rate established in regulations ensures the support necessary to pay for fuel so clients can drive to jobs, job interviews, appointments, or classes. Furthermore, during times of high gasoline prices, this change in the regulation removes a potential financial barrier to clients achieving employment goals.

In addition, DOR selected to remove the portion of the current regulation that provides for the calculation of actual costs when they are less than the mileage rate. The DOR has selected a rate that would be utilized in all instances because it is equitable to do so, and it saves staff time in having to do a separate calculation.

Finally, the DOR made minor changes to use gender neutral language, replacing "his/her" with "their."

## Evaluation of Inconsistency or Incompatibility with Existing State Regulations

The DOR has determined that the proposed amendments to this regulation are not inconsistent or incompatible with existing state regulations. After conducting a review for other regulations that would relate to or affect the state vocational rehabilitation system, DOR has concluded that these regulations are consistent with all other state regulations that concern California's vocational rehabilitation program.

## **DISCLOSURES REGARDING THE PROPOSED ACTION**

The DOR has made the following initial determinations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: The DOR estimates the additional total costs to DOR for the proposed amendments to the regulation would range from \$655,000 to \$873,000 for the current State Fiscal Year. Of this amount, DOR estimates that the total fiscal impact of the proposed regulation on federal funding of the vocational rehabilitation program would range from costs of \$516,000 to \$687,000 and \$139,000 to \$186,000 in State General Fund for the current State Fiscal year.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code section 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: The DOR estimates the additional total costs to DOR for the proposed amendments to the regulation would range from \$655,000 to \$873,000 for the current State Fiscal Year. Of this amount, DOR estimates that the total fiscal impact of the proposed regulation on federal funding of the vocational rehabilitation program would range from costs of \$516,000 to \$687,000 and \$139,000 to \$186,000 in State General Fund for the current State Fiscal year.

Cost impacts on a representative private person or business: The DOR is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant, statewide adverse economic impact directly affecting business, including the ability of California business to compete with businesses in other states: None.

Significant effect on housing costs: None.

Small Business Determination: The proposed amendments to the regulation will not affect small businesses because the amendments involve a change to the calculation for fuel payments to DOR clients and DOR clients are individuals, not businesses. Furthermore, businesses are not involved in DOR's process of providing payments to clients when they use their personal vehicles.

## Results of the Economic Impact Analysis and Assessment:

The DOR concludes that it is unlikely that the proposal will (1) eliminate any jobs, (2) create any jobs, (3) create any new businesses, (4) eliminate any existing businesses, and (5) result in the expansion of businesses currently doing business within the state. The DOR bases the assessment on the fact that the proposed amendments to the regulation involve a change to the calculation for fuel payments to DOR clients when they must use their personal vehicles for vocational rehabilitation purposes and DOR clients are individuals, not businesses. Furthermore, businesses are not involved in DOR's process of providing payments to clients when they use their personal vehicles.

Benefits of the Proposed Action: The proposed amendments will benefit the health and welfare of California residents because an accurate, updated mileage rate ensures funding to the client that is a more accurate reflection of what is taking place in the economy at the time. Furthermore, during times of high gasoline prices, this change in the regulation removes a potential financial barrier to clients achieving employment goals.

The proposed amendments are not expected to affect worker safety or the state's environment.

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 11346.5, subdivision (a)(13), DOR must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the attention of DOR would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to any affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The DOR invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

## **CONTACT PERSONS**

Inquiries concerning the proposed rulemaking action may be directed to:

Michele Welz  
Department of Rehabilitation  
Office of Legal Affairs and Regulations  
721 Capitol Mall  
Sacramento, California 95814  
Phone: (916) 558-5825  
Email: [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov)

The back-up contact person for these inquiries is:

Daisy Hughes, Attorney IV  
Department of Rehabilitation  
Office of Legal Affairs and Regulations  
721 Capitol Mall  
Sacramento, California 95814  
Phone: (916) 558-5825  
Email: [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov)

## **AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE**

The DOR will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this Notice of Proposed Rulemaking, Proposed Text of the Regulations, and Initial Statement of Reasons. Please direct requests for copies to the contact person(s) listed above. Please contact [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov) or (916) 558-5825 if you wish to make an appointment to review the rulemaking file in person. The documents identified above in the rulemaking file are also on the DOR website at [www.dor.ca.gov/ProposedRulemakingandRegs](http://www.dor.ca.gov/ProposedRulemakingandRegs).

## **AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After considering all timely and relevant comments received, DOR may adopt the proposed regulations substantially as described in this Notice. If DOR makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before DOR adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Michele Welz at the address indicated above or email at [Legal@dor.ca.gov](mailto:Legal@dor.ca.gov). The DOR will accept written comments on the modified regulations for 15 days after the date on which they are made available.

## **AVAILABILITY OF THE FINAL STATEMENT OF REASONS**

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Michele Welz at the address indicated above.

## **REASONABLE ACCOMMODATION STATEMENT**

The DOR shall provide, upon request, a narrative description of the proposed changes included in the proposed action, in the manner provided by Government Code Section 11346.6, to accommodate a person with a visual or other disability for which effective communication is required under state or federal law. Providing the description of proposed changes may require extending the period of public comment for the proposed action for the requesting party.

## **AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of the Notice of Proposed Rulemaking, Initial Statement of Reasons, and Proposed Text of the Regulations at [www.dor.ca.gov/ProposedRulemakingandRegs](http://www.dor.ca.gov/ProposedRulemakingandRegs).