



IOWA ADMINISTRATIVE BULLETIN

Published Biweekly

VOLUME XXXVII
February 18, 2015

NUMBER 17
Pages 1439 to 1530

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PREFACE

The Iowa Administrative Bulletin is published biweekly pursuant to Iowa Code chapters 2B and 17A and contains Notices of Intended Action and rules adopted by state agencies.

It also contains Proclamations and Executive Orders of the Governor which are general and permanent in nature; Regulatory Analyses; effective date delays and objections filed by the Administrative Rules Review Committee; Agenda for monthly Administrative Rules Review Committee meetings; and other materials deemed fitting and proper by the Administrative Rules Review Committee.

The Bulletin may also contain public funds interest rates [12C.6]; workers' compensation rate filings [515A.6(7)]; usury rates [535.2(3)"a"]; and agricultural credit corporation maximum loan rates [535.12].

PLEASE NOTE: Underscore indicates new material added to existing rules; ~~strike through~~ indicates deleted material.

STEPHANIE A. HOFF, Administrative Code Editor

Telephone: (515)281-3355

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CITATION of Administrative Rules

The Iowa Administrative Code shall be cited as (agency identification number) IAC (chapter, rule, subrule, lettered paragraph, or numbered subparagraph).

441 IAC 79	(Chapter)
441 IAC 79.1	(Rule)
441 IAC 79.1(1)	(Subrule)
441 IAC 79.1(1)"a"	(Paragraph)
441 IAC 79.1(1)"a"(1)	(Subparagraph)

The Iowa Administrative Bulletin shall be cited as IAB (volume), (number), (publication date), (page number), (ARC number).

IAB Vol. XII, No. 23 (5/16/90) p. 2050, ARC 872A

NOTE: In accordance with Iowa Code section 2B.5A, a rule number within the Iowa Administrative Code includes a reference to the statute which the rule is intended to implement: 441—79.1(249A).

Schedule for Rule Making 2015

NOTICE SUBMISSION DEADLINE	NOTICE PUB. DATE	HEARING OR COMMENTS 20 DAYS	FIRST POSSIBLE ADOPTION DATE 35 DAYS	ADOPTED FILING DEADLINE	ADOPTED PUB. DATE	FIRST POSSIBLE EFFECTIVE DATE	POSSIBLE EXPIRATION OF NOTICE 180 DAYS
Dec. 17 '14	Jan. 7 '15	Jan. 27 '15	Feb. 11 '15	Feb. 13 '15	Mar. 4 '15	Apr. 8 '15	July 6 '15
Jan. 2	Jan. 21	Feb. 10	Feb. 25	Feb. 27	Mar. 18	Apr. 22	July 20
Jan. 16	Feb. 4	Feb. 24	Mar. 11	Mar. 13	Apr. 1	May 6	Aug. 3
Jan. 30	Feb. 18	Mar. 10	Mar. 25	Mar. 27	Apr. 15	May 20	Aug. 17
Feb. 13	Mar. 4	Mar. 24	Apr. 8	Apr. 10	Apr. 29	June 3	Aug. 31
Feb. 27	Mar. 18	Apr. 7	Apr. 22	Apr. 24	May 13	June 17	Sep. 14
Mar. 13	Apr. 1	Apr. 21	May 6	May 8	May 27	July 1	Sep. 28
Mar. 27	Apr. 15	May 5	May 20	***May 20***	June 10	July 15	Oct. 12
Apr. 10	Apr. 29	May 19	June 3	June 5	June 24	July 29	Oct. 26
Apr. 24	May 13	June 2	June 17	June 19	July 8	Aug. 12	Nov. 9
May 8	May 27	June 16	July 1	***July 1***	July 22	Aug. 26	Nov. 23
May 20	June 10	June 30	July 15	July 17	Aug. 5	Sep. 9	Dec. 7
June 5	June 24	July 14	July 29	July 31	Aug. 19	Sep. 23	Dec. 21
June 19	July 8	July 28	Aug. 12	Aug. 14	Sep. 2	Oct. 7	Jan. 4 '16
July 1	July 22	Aug. 11	Aug. 26	***Aug. 26***	Sep. 16	Oct. 21	Jan. 18 '16
July 17	Aug. 5	Aug. 25	Sep. 9	Sep. 11	Sep. 30	Nov. 4	Feb. 1 '16
July 31	Aug. 19	Sep. 8	Sep. 23	Sep. 25	Oct. 14	Nov. 18	Feb. 15 '16
Aug. 14	Sep. 2	Sep. 22	Oct. 7	Oct. 9	Oct. 28	Dec. 2	Feb. 29 '16
Aug. 26	Sep. 16	Oct. 6	Oct. 21	***Oct. 21***	Nov. 11	Dec. 16	Mar. 14 '16
Sep. 11	Sep. 30	Oct. 20	Nov. 4	***Nov. 4***	Nov. 25	Dec. 30	Mar. 28 '16
Sep. 25	Oct. 14	Nov. 3	Nov. 18	***Nov. 18***	Dec. 9	Jan. 13 '16	Apr. 11 '16
Oct. 9	Oct. 28	Nov. 17	Dec. 2	***Dec. 2***	Dec. 23	Jan. 27 '16	Apr. 25 '16
Oct. 21	Nov. 11	Dec. 1	Dec. 16	***Dec. 16***	Jan. 6 '16	Feb. 10 '16	May 9 '16
Nov. 4	Nov. 25	Dec. 15	Dec. 30	Jan. 1 '16	Jan. 20 '16	Feb. 24 '16	May 23 '16
Nov. 18	Dec. 9	Dec. 29	Jan. 13 '16	Jan. 15 '16	Feb. 3 '16	Mar. 9 '16	June 6 '16
Dec. 2	Dec. 23	Jan. 12 '16	Jan. 27 '16	Jan. 29 '16	Feb. 17 '16	Mar. 23 '16	June 20 '16
Dec. 16	Jan. 6 '16	Jan. 26 '16	Feb. 10 '16	Feb. 12 '16	Mar. 2 '16	Apr. 6 '16	July 4 '16

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
19	Friday, February 27, 2015	March 18, 2015
20	Friday, March 13, 2015	April 1, 2015
21	Friday, March 27, 2015	April 15, 2015

PLEASE NOTE:

Rules will not be accepted after **12 o'clock noon** on the Friday filing deadline days unless prior approval has been received from the Administrative Rules Coordinator's office.

If the filing deadline falls on a legal holiday, submissions made on the following Monday will be accepted.

*****Note change of filing deadline*****

The Administrative Rules Review Committee will hold its regular, statutory meeting on Friday, March 6, 2015, at 9 a.m. in Room 116, State Capitol, Des Moines, Iowa. The following rules will be reviewed:

NOTE: See also Supplemental Agenda to be published in the March 4, 2015, Iowa Administrative Bulletin.

COLLEGE STUDENT AID COMMISSION[283]

EDUCATION DEPARTMENT[281]"umbrella"

- Availability of records; update of commission address, 6.3(1), 6.12, 7.10 Filed ARC 1869C 2/18/15
- Federal family education loan programs; state of Iowa scholarship program; Iowa guaranteed loan payment program; accelerated career education grant program, rescind chs 10, 11, 15, 19 Filed ARC 1870C 2/18/15
- Skilled workforce shortage tuition grant program—financial need, 23.1(1) Filed ARC 1871C..... 2/18/15

ECONOMIC DEVELOPMENT AUTHORITY[261]

- Iowa tourism grant program—eligibility, application scoring, administration, 42.1, 42.3, 42.4, 42.6 Notice of Termination ARC 1872C 2/18/15

EDUCATIONAL EXAMINERS BOARD[282]

EDUCATION DEPARTMENT[281]"umbrella"

- Military exchange license—military education, training, and service credit, 13.17(4) Filed ARC 1878C..... 2/18/15
- K-12 special education endorsement; specializations, 14.2 Filed ARC 1884C..... 2/18/15

EDUCATION DEPARTMENT[281]

- Community colleges—technical specialty component of diploma and certificate programs, residency determinations, tuition rates, 21.2 Notice ARC 1879C 2/18/15
- Pathways for academic career and employment (PACE) program; gap tuition assistance program, amendments to ch 25 Filed ARC 1875C..... 2/18/15
- Standards for paraeducator preparation programs, ch 80 Notice ARC 1880C..... 2/18/15
- Financial management of categorical funding, amendments to ch 98 Notice ARC 1881C..... 2/18/15

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C]

Professional Licensing and Regulation Bureau[193]

COMMERCE DEPARTMENT[181]"umbrella"

- Professional development hours; grounds for discipline, 7.3(2), 9.3 Notice ARC 1886C..... 2/18/15

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

- Surface water classification, 61.3(5) Notice ARC 1877C 2/18/15
- NPDES general permit no. 2—topsoil preservation at construction sites, 64.15(2) Notice ARC 1873C..... 2/18/15

HUMAN SERVICES DEPARTMENT[441]

- Mental disorders—diagnostic manual references updated, 78.12, 78.45(1), 88.65(5) Filed ARC 1850C 2/4/15
- Child development homes—emergency contact information, 110.5(1)"a" Filed Emergency After Notice ARC 1852C 2/4/15
- Child development homes—safety standards, prohibition from involvement in child care, removal of transition exception, 110.5, 110.7(3)"r"(1), 110.13 Notice ARC 1863C..... 2/4/15
- Child development homes—documentation of medication administration, physical examination report, provider qualifications, limit on number of coproviders, 110.5, 110.9(2)"b," 110.10(2) Notice ARC 1862C..... 2/4/15
- Child development homes—safety standards for pools, 110.5(1)"r" Filed ARC 1851C..... 2/4/15

INSPECTIONS AND APPEALS DEPARTMENT[481]

- Inspection standards for food establishments and food processing plants, 31.1, 31.2(9) Notice ARC 1861C 2/4/15
- Elder group homes, assisted living programs, adult day services—change of ownership or program manager, application for certification, amendments to chs 68 to 70 Notice ARC 1860C..... 2/4/15
- Bingo, amendments to ch 103 Notice ARC 1858C 2/4/15
- Amusement devices, amendments to chs 104, 105 Notice ARC 1859C..... 2/4/15

INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]"umbrella"

- Individual annuity and pure endorsement contracts—delayed effective date for use of 2012 IAR mortality table, 43.3(5) Filed Emergency After Notice ARC 1843C..... 2/4/15
- Insurance holding company systems, amendments to ch 45 Filed Emergency After Notice ARC 1844C..... 2/4/15

IOWA FINANCE AUTHORITY[265]

Mortgage credit certificates—fees, 10.4, 10.6 <u>Filed</u> ARC 1845C	2/4/15
Purchasing—update of implementation sentence, ch 15 <u>Notice</u> ARC 1855C	2/4/15
Transitional housing revolving loan program—update of internal references and implementation sentence, amendments to ch 23 <u>Notice</u> ARC 1856C	2/4/15
Water pollution control works and drinking water facilities financing—update of implementation sentence, ch 26 <u>Notice</u> ARC 1866C	2/4/15
Military service member home ownership assistance program, 27.2, 27.3 <u>Filed</u> ARC 1854C	2/4/15
Jump-start housing assistance program—update of internal reference and implementation sentence, amendments to ch 29 <u>Notice</u> ARC 1865C	2/4/15
Council on homelessness—update of internal reference and implementation sentence, amendments to ch 31 <u>Notice</u> ARC 1864C	2/4/15

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates; protected occupations; service purchases; benefits, including death and disability; overpayments; reporting; domestic relations orders; records, amendments to chs 4, 8, 9, 11 to 14, 16, 17 <u>Filed</u> ARC 1887C	2/18/15
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LABOR SERVICES DIVISION[875]

WORKFORCE DEVELOPMENT DEPARTMENT[871]"umbrella"

Conveyance safety program, 71.11, 71.13, 71.16, 72.1(8), 72.27, 73.7(10), 73.21 <u>Notice</u> ARC 1849C	2/4/15
Elevators—child safety guards, 72.26, 73.27 <u>Notice</u> ARC 1853C	2/4/15

LOTTERY AUTHORITY, IOWA[531]

Disclosure of odds of winning; address change, amendments to chs 1 to 3, 5, 6, 18 to 20 <u>Notice</u> ARC 1847C	2/4/15
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PUBLIC HEALTH DEPARTMENT[641]

Plumbing and mechanical systems board—military service and veteran reciprocity, ch 62 <u>Filed</u> ARC 1874C	2/18/15
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PUBLIC SAFETY DEPARTMENT[661]

Fire safety—liquefied petroleum gas standards, 226.1, 226.4, 226.5, 226.8, 226.9 <u>Filed</u> ARC 1868C	2/18/15
Military service and veteran reciprocity, ch 506 <u>Filed</u> ARC 1867C	2/18/15

RACING AND GAMING COMMISSION[491]

INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella"

Clarifications and updates; network security; wide area progressive systems, amendments to chs 5, 8, 10 to 12 <u>Filed</u> ARC 1876C	2/18/15
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REVENUE DEPARTMENT[701]

Redevelopment tax credit program for brownfield and grayfield sites, 42.41, 52.39 <u>Notice</u> ARC 1857C	2/4/15
Mailing of estimated tax form, 49.5(1) <u>Filed</u> ARC 1883C	2/18/15

TRANSPORTATION DEPARTMENT[761]

Retention of contested case records, 13.10 <u>Filed</u> ARC 1846C	2/4/15
Update of signing manual—2009 MUTCD with Revisions 1 and 2, 130.1, 131.1, 131.4, 131.6(1), 131.10 <u>Notice</u> ARC 1885C	2/18/15

UTILITIES DIVISION[199]

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Disconnection of public water utility service for failure to pay sewer, wastewater, or storm drainage bill, 21.4 <u>Notice</u> ARC 1848C	2/4/15
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VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

Retired and senior volunteer program (RSVP), 7.1(1), 7.4(1), 7.5 <u>Filed</u> ARC 1882C	2/18/15
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ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS

Regular, statutory meetings are held the second Tuesday of each month at the seat of government as provided in Iowa Code section 17A.8. A special meeting may be called by the Chair at any place in the state and at any time.

Senator Mark Chelgren
819 Hutchinson
Ottumwa, Iowa 52501

Senator Mark Costello
37265 Rains Avenue
Imogene, Iowa 51645

Senator Thomas Courtney
2609 Clearview
Burlington, Iowa 52601

Senator Wally Horn
101 Stoney Point Road, SW
Cedar Rapids, Iowa 52404

Senator Pam Jochum
2368 Jackson Street
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Sioux Rapids, Iowa 50585

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3012 East 31st Court
Des Moines, Iowa 5031

Representative Dawn Pettengill
P.O. Box A
Mt. Auburn, Iowa 52313

Representative Guy Vander Linden
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Oskaloosa, Iowa 52577

Michael Boussetot
Administrative Rules Coordinator
Governor's Ex Officio Representative
Capitol, Room 18
Des Moines, Iowa 50319
Telephone (515)281-5211

EDUCATION DEPARTMENT[281]

Community colleges—diploma and certificate programs, residency status and tuition, 21.2 IAB 2/18/15 ARC 1879C	State Board Room, Second Floor Grimes State Office Bldg. Des Moines, Iowa	March 10, 2015 9 to 10 a.m.
Standards for paraeducator preparation programs, ch 80 IAB 2/18/15 ARC 1880C	State Board Room, Second Floor Grimes State Office Bldg. Des Moines, Iowa	March 10, 2015 11 a.m. to 12 noon
Financial management of categorical funding, amendments to ch 98 IAB 2/18/15 ARC 1881C	State Board Room, Second Floor Grimes State Office Bldg. Des Moines, Iowa	March 10, 2015 10 to 11 a.m.

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C]

Professional development hours; grounds for discipline, 7.3(2), 9.3 IAB 2/18/15 ARC 1886C	Bureau Office, Suite 350 200 E. Grand Ave. Des Moines, Iowa	March 11, 2015 9 a.m.
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ENVIRONMENTAL PROTECTION COMMISSION[567]

Surface water classification, 61.3(5) IAB 2/18/15 ARC 1877C	Conference Room Atlantic Municipal Utilities 15 West 3rd St. Atlantic, Iowa	March 10, 2015 9 a.m.
	Public Library 4000 Mills Civic Parkway West Des Moines, Iowa	March 10, 2015 2:30 p.m.
	Falcon Civic Center 1305 5th Ave. NE Independence, Iowa	March 17, 2015 9:30 a.m.
	Public Library 115 W. Washington St. Washington, Iowa	March 17, 2015 3 p.m.
	Community Meeting Room 15 N. 6th St. Clear Lake, Iowa	March 24, 2015 10 a.m.
	Public Library 21 E. 3rd St. Spencer, Iowa	March 24, 2015 3:30 p.m.
NPDES general permit no. 2—topsoil preservation at construction sites, 64.15(2) IAB 2/18/15 ARC 1873C	Five Seasons Conference Room City Services Center 500 15th Ave. SW Cedar Rapids, Iowa	March 18, 2015 6 p.m.
	Room A Eastern Ave. Branch Library 6000 Eastern Ave. Davenport, Iowa	March 25, 2015 6 p.m.
	Auditorium Wallace State Office Bldg. Des Moines, Iowa	March 27, 2015 1 p.m.

ENVIRONMENTAL PROTECTION COMMISSION[567] (cont'd)

Beverage container deposits; hydrogeologic investigation and monitoring; sanitary landfills: biosolids monofills; beautification grant program; waste tire stockpile abatement program, amend ch 107; rescind chs 110, 112, 210, 218 IAB 1/21/15 ARC 1823C	Fourth Floor West Conference Room Wallace State Office Bldg. Des Moines, Iowa	February 18, 2015 1 to 2 p.m.
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LABOR SERVICES DIVISION[875]

Conveyance safety program, 71.11, 71.13, 71.16, 72.1(8), 72.27, 73.7(10), 73.21 IAB 2/4/15 ARC 1849C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	February 25, 2015 10 a.m. (If requested)
Elevators—child safety guards, 72.26, 73.27 IAB 2/4/15 ARC 1853C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	February 25, 2015 9 a.m. (If requested)

TRANSPORTATION DEPARTMENT[761]

Update of signing manual— 2009 MUTCD with Revisions 1 and 2, 130.1, 131.1, 131.4, 131.6(1), 131.10 IAB 2/18/15 ARC 1885C	First Floor South Conference Room DOT Administration Building 800 Lincoln Way Ames, Iowa	March 17, 2015 9 a.m. (If requested)
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UTILITIES DIVISION[199]

Disconnection of public water utility service for failure to pay sewer, wastewater, or storm drainage bill, 21.4 IAB 2/4/15 ARC 1848C	Room 69, Utilities Board 1375 E. Court Ave. Des Moines, Iowa	March 12, 2015 1 p.m.
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The following list will be updated as changes occur.

“Umbrella” agencies and elected officials are set out below at the left-hand margin in CAPITAL letters.

Divisions (boards, commissions, etc.) are indented and set out in lowercase type under their statutory “umbrellas.”

Other autonomous agencies are included alphabetically in SMALL CAPITALS at the left-hand margin.

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ARC 1872C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Termination

Pursuant to the authority of Iowa Code section 15.106A, the Economic Development Authority terminates the rule making initiated by its Notice of Intended Action published in the Iowa Administrative Bulletin on January 21, 2015, as **ARC 1820C**, proposing to amend Chapter 42, “Iowa Tourism Grant Program,” Iowa Administrative Code.

The Notice proposed to amend Chapter 42 by updating the existing rules to provide grant applicants greater clarity on the standards for program eligibility, application scoring, and program administration.

The Authority is terminating the rule making commenced in **ARC 1820C** and will renote the proposed amendments to incorporate further changes to Chapter 42.

After analysis and review of this rule making, no impact on jobs has been found.

ARC 1879C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby proposes to amend Chapter 21, “Community Colleges,” Iowa Administrative Code.

These proposed amendments clarify protocol for community college residency determinations for students, including veterans, and clarify permissible tuition rates. The proposed amendments move the State Board of Education’s Uniform Policy on Residency Status into administrative rule. The proposed amendments also clarify the technical specialty component of diploma and certificate programs.

An agencywide waiver provision is provided in 281—Chapter 4.

Interested individuals may make written comments on the proposed amendments on or before March 10, 2015, at 4:30 p.m. Comments on the proposed amendments should be directed to Jeremy Varner, Iowa Department of Education, Second Floor, Grimes State Office Building, Des Moines, Iowa, 50319-0146; telephone (515)281-8260; or e-mail jeremy.varner@iowa.gov.

A public hearing will be held on March 10, 2015, from 9 to 10 a.m. in the State Board Room, Second Floor, Grimes State Office Building, East 14th Street and Grand Avenue, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should advise the Department of Education of their specific needs by calling (515)281-5295.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 260C.

The following amendments are proposed.

ITEM 1. Amend paragraphs **21.2(9)“g”** and **“h”** as follows:

g. Diploma. The diploma is awarded upon completion of a state-approved program of study that is a coherent sequence of courses consisting of a minimum of 15 semester (22.5 quarter) credit hours and a maximum of 48 semester (72 quarter) credit hours including at least 3 semester (4.5 quarter) credit hours of general education. The general education component shall be from any of the following areas: communications, social science or humanities, and mathematics or science. A diploma may be a component of and apply toward subsequent completion of an associate of applied science or associate

EDUCATION DEPARTMENT[281](cont'd)

of applied arts degree. The technical specialty component of the diploma shall constitute a minimum of 75 percent of the course credits.

h. Certificate. The certificate is awarded upon completion of a state-approved program of study that is designed for entry-level employment and shall consist of a maximum of 48 semester (72 quarter) credit hours. A certificate may be a component of and apply toward subsequent completion of a diploma or associate of applied science or associate of applied arts degree and may be developed in rapid response to the needs of business and industry. ~~A certificate may consist of only career and technical courses and no general education course requirements.~~ Certificate programs are not intended to have a general education component and may include general education coursework only if demonstrated to be necessary; however, general education coursework shall not exceed a four-credit requirement.

ITEM 2. Rescind subrule 21.2(11) and adopt the following **new** subrule in lieu thereof:

21.2(11) Residency status and tuition. A student who has been admitted to an Iowa community college shall be classified as a resident or as a nonresident for admission, tuition, and fee purposes. A student classified as a resident shall pay resident tuition costs. A student classified as a nonresident shall pay nonresident tuition costs. Tuition rates are established by a community college's board of trustees pursuant to Iowa Code section 260C.14(2).

a. Tuition rates. Tuition rates adopted by a community college's board of trustees shall be consistent with the following requirements.

(1) Resident tuition.

1. Tuition for residents shall not exceed the lowest tuition rate per semester, or the equivalent, for a full-time student charged by an institution of higher education under the state board of regents.

2. For students of high school age enrolled in a course through a contractual agreement with a school district, the limit on resident tuition shall not apply, and the amount of tuition shall be determined by the community college's board of trustees with the consent of the school board.

3. Resident tuition rates shall not require department approval.

(2) Nonresident tuition. Tuition for nonresidents shall be not less than the marginal cost of instruction of a student attending the college. The establishment of nonresident tuition rates shall not require department approval, with the exception of rates established pursuant to paragraphs 21.2(11) "a"(2) "2" and "3" and 21.2(11) "a"(3).

1. International student tuition rates. A separate nonresident rate for international students shall be permissible, provided the rate is reasonable and reflects the cost of appropriate services.

2. Reciprocal agreements. A lower tuition rate for nonresidents is permitted under a reciprocal tuition agreement between a community college and an educational institution in another state, if the rate established in the agreement is approved by the department.

3. Other nonresident rates. Other nonresident tuition rates may be established for specific purposes provided the tuition rate is greater than the resident tuition rate, the tuition rate is not less than the marginal cost of instruction, and the arrangement is approved by the department.

(3) Consortia. A separate tuition rate for residents and nonresidents is permitted for courses delivered through a consortia agreement for online, distance education, or other coursework between Iowa community colleges, if the rate established in the agreement is approved by the department. Tuition shall not be less than the lowest resident rate or higher than the highest nonresident rate of institutions within the consortium.

(4) Noncredit course tuition. Tuition for noncredit continuing education courses shall be determined based on course costs and market demand. Tuition rates for courses that are not credit-bearing shall not require department approval.

(5) Department approval. For tuition rates requiring department approval, the department shall approve rates which comply with the requirements set forth in this chapter. Before a rate is adopted by a community college's board of trustees and charged to students, the community college shall request and receive approval for a tuition rate.

(6) Reporting. A community college shall annually report all tuition rates and mandatory fees in a manner prescribed by the department.

EDUCATION DEPARTMENT[281](cont'd)

(7) Notification. A community college shall inform all students about residency status determinations, the appeal process, and tuition policies. Information shall be included in appropriate publications such as the college's catalog, registration materials, Web site, and student handbook.

b. Determination of residency status. In determining a community college resident or nonresident classification, the primary determinant shall be the reason the student is in the state of Iowa. The second determinant shall be the length of time a student has resided in Iowa. If a student is in the state primarily for educational purposes, that student shall be considered a nonresident. The burden of establishing the reason a student is in Iowa for other than educational purposes rests with the student.

(1) Procedure. The registrar or officially designated community college office shall require written documents, affidavits, or other related evidence deemed necessary to determine why a student is in Iowa. A student shall be required to file at least two documents from different sources to determine residency status. Examples of acceptable documentation include: written and notarized documentation from an employer that the student is employed in Iowa or a signed and notarized statement from the student describing employment and sources of support; an Iowa state income tax return; an Iowa driver's license; an Iowa vehicle registration card; an Iowa voter registration card; or proof of Iowa Homestead credit on property taxes. In all events, to be determined a resident of Iowa, the student must document residing in the state of Iowa for at least 90 days prior to the beginning of the term for which the student is enrolling.

1. If a student gives misleading or incorrect information for the purpose of evading payment of nonresident tuition, the student must pay the nonresident tuition for each term the student was not officially classified as a nonresident.

2. The procedures described in paragraph 21.2(11) "b" shall be administered by the registrar or staff designated by the community college.

(2) Residency of minor students. The domicile of a minor shall follow that of the parent with whom the minor resides, except where emancipation of said minor can be proven. The word "parent" herein shall include legal guardian or others in cases where the lawful custody of a minor has been awarded to persons other than the minor's actual parents. A minor living with a resident of Iowa who is legally responsible for the minor shall be granted resident status if the minor has lived with the Iowa resident for at least 90 days immediately prior to enrollment. The residency status of an emancipated minor shall be based upon the same qualifications established for a student having attained majority.

(3) Residency of students who are not citizens of the United States. The residency status of students who are not citizens of the United States shall be determined consistent with the following procedures.

1. A student who is a refugee or who is granted asylum by an appropriate agency of the United States must provide proof of certification of refugee or asylum grantee status. A student may be accorded resident status for admission and tuition purposes when the student comes directly, or within a reasonable time, to the state of Iowa from a refugee facility or port of debarkation and has not established domicile in another state.

2. A student who has immigrant status, and the student's spouse or dependents, may establish Iowa residency in the same manner as a United States citizen.

3. A student who has nonimmigrant status and who holds a nonstudent visa, and the student's spouse or dependents, may establish residency in the same manner as a United States citizen. An alien who has nonimmigrant status and whose primary purpose for being in Iowa is educational is classified as nonresident.

4. A student who is a resident of an Iowa sister state may be classified as a resident or nonresident, in accordance with rules adopted by the college's board of directors.

(4) Residency of federal personnel and dependents. A student, or the student's spouse or dependent child, who has moved into the state of Iowa as the result of military or civil orders from the federal government, and the minor children of such student, is immediately an Iowa resident.

(5) Residency of veterans and family members and individuals covered under Section 702 of the Veterans Access, Choice and Accountability Act of 2014. A veteran of a uniformed service or national guard or the veteran's spouse or dependent child shall be classified as an Iowa resident student and be eligible for resident tuition and fee amounts, if the veteran meets the requirements of paragraph 21.2(11) "b"(5) "1," "2," or "3."

EDUCATION DEPARTMENT[281](cont'd)

1. The veteran has separated from a uniformed service with an honorable or general discharge, is eligible for benefits, or has exhausted benefits under the federal Post-9/11 Veterans Educational Assistance Act of 2008 or any other federal authorizing veteran educational benefits program.

2. The individual is an active duty military person or activated or temporarily mobilized National Guard member.

3. The individual is a covered person under Section 702 of the Veterans Access, Choice and Accountability Act of 2014 or subsequent legislation.

(6) Reclassification of residency status. It is the responsibility of a student to request a reclassification of residency status. If a student is reclassified as a resident for tuition purposes, such classification shall be effective beginning with the next term for which the student enrolls. In no case shall reclassification to residency status be made retroactive for tuition and fee purposes, even though the student could have previously qualified for residency status had the student applied.

(7) Appeal. The decision on the residency status of a student for admission, tuition, and fee purposes may be appealed to a review committee established by the community college. The findings of the review committee may be appealed to the community college's board of trustees, whose decision shall be a final administrative decision.

ARC 1880C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 256.7(5) and 256.7(22), the State Board of Education hereby proposes to rescind Chapter 80, “Standards for Paraeducator Preparation Programs,” Iowa Administrative Code, and to adopt a new Chapter 80 with the same title.

Chapter 80 outlines the standards and program requirements that all paraeducator preparation programs must meet in order to be approved to prepare paraeducators in Iowa. Compliance with these standards is required and is evaluated during each paraeducator preparation program's initial and periodic reviews.

The current standards must be updated to reflect research in student achievement, accountability, and continuous program improvement. The standards in this proposed chapter more closely align with rules from the Iowa Board of Educational Examiners on the issuance of paraeducator certificates. (See Iowa Administrative Code 282—Chapter 24.)

A team of 12 Iowa educators, paraeducators, Department of Education staff, and Board of Educational Examiners staff developed the proposed rules. The proposed rules were subsequently vetted by educators and policy experts in Iowa.

An agencywide waiver provision is provided in 281—Chapter 4.

Interested individuals may make written comments on the proposed rules on or before March 10, 2015, at 4:30 p.m. Comments on the proposed rules should be directed to Marietta Rives, Iowa Department of Education, Second Floor, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa 50319-0146; telephone (515)281-6038; e-mail marietta.rives@iowa.gov.

A public hearing will be held on March 10, 2015, from 11 a.m. to 12 noon in the State Board Room, Second Floor, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact and advise the Department of Education of specific needs by calling (515)281-5295.

After analysis and review of this rule making, no impact on jobs has been found.

EDUCATION DEPARTMENT[281](cont'd)

These rules are intended to implement Iowa Code section 256.7.
The following amendment is proposed.

Rescind 281—Chapter 80 and adopt the following **new** chapter in lieu thereof:

CHAPTER 80
STANDARDS FOR PARAEDUCATOR PREPARATION PROGRAMS

281—80.1(272) General statement. Programs of preparation leading to certification of paraeducators in Iowa are subject to approval by the state board of education.

281—80.2(272) Definitions. The following definitions are used throughout this chapter:

“Authorized official” means an individual with the authority within the institution and the unit to monitor and ensure compliance with this chapter.

1. If the unit is within a community college, an institution of higher education under the state board of regents, or an accredited private institution of higher education, the official must maintain an administrative position within the unit.

2. If the unit is within an Iowa public school district or area education agency, the official must have one or more of the following credentials issued by the board of educational examiners: a teacher license (with the exception of a substitute teaching license), an administrator license, a professional services license, an elementary professional school counselor endorsement, a secondary professional school counselor endorsement, a school nurse endorsement, a special education support personnel authorization, or a statement of professional recognition. Other authorizations or certificates issued by the board of educational examiners shall not satisfy the requirements of this paragraph.

“Department” means the department of education.

“Director” means director of the department of education.

“Diverse groups” means one or more groups of individuals possessing certain traits or characteristics, including but not limited to age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, gender identity, physical attributes, physical or mental ability or disability, ancestry, political party preference, political belief, socioeconomic status, or familial status.

“Institution” means an Iowa public school district, area education agency, community college, institution of higher education under the state board of regents or an accredited private institution as defined in Iowa Code section 261.9(1) offering a paraeducator preparation program(s).

“Paraeducator candidate” means an individual who is enrolled in a paraeducator preparation program leading to certification as a generalist, generalist with area(s) of concentration, or advanced paraeducator.

“Paraeducator preparation program” means the program of paraeducator preparation leading to certification of paraeducators.

“State board” means Iowa state board of education.

“Unit” means the organizational entity within an institution with the responsibility of administering the paraeducator preparation program(s).

281—80.3(272) Institutions affected. All institutions engaged in preparation of paraeducators and seeking state board approval of the institutions’ paraeducator preparation program(s) shall meet the standards contained in this chapter.

281—80.4(272) Criteria for Iowa paraeducator preparation programs. Each institution seeking approval of its paraeducator preparation program(s) shall submit to the board evidence of the extent to which the program meets the standards contained in this chapter. After the state board has approved an institution’s paraeducator preparation program(s), students who complete the program(s) may be recommended by the authorized official of that institution for issuance of the appropriate certificate.

EDUCATION DEPARTMENT[281](cont'd)

281—80.5(272) Application; approval of programs. Approval of paraeducator preparation programs by the state board shall be based on the recommendation of the director after study of the factual and evaluative evidence of record about each program in terms of the standards contained in this chapter. Approval, if granted, shall be for a term of five years; however, approval for a shorter term may be granted by the state board if it determines conditions so warrant. If approval is not granted, the applicant institution will be advised concerning the areas in which improvement or changes appear to be essential for approval. In this case, the institution shall be given the opportunity to present factual information concerning its programs at the next regularly scheduled meeting of the state board. The institution may also reapply at its discretion to provide evidence of the actions taken toward suggested improvement. Any application submitted under this rule shall be submitted by the authorized official.

281—80.6(272) Periodic reports. In addition to reports required by this chapter, the department may ask institutions placed on the approved programs list to make periodic reports necessary to keep records of each paraeducator preparation program up-to-date, to provide information necessary to carry out research studies relating to paraeducator preparation, and for any other purpose the department deems advisable. Any reports submitted under this rule shall be submitted by the authorized official.

281—80.7(272) Reevaluation of paraeducator preparation programs. Each paraeducator preparation program shall be reviewed and reevaluated at least once every five years, at a shorter interval specified pursuant to rule 281—80.5(272), or at any time deemed necessary by the director. Recommendations as to whether to grant continued approval shall be governed by rule 281—80.5(272).

281—80.8(272) Approval of program changes. Upon application by an institution, the director is authorized to approve minor additions to, or changes within, the institution's approved paraeducator preparation program. When an institution proposes revisions that exceed the primary scope of its program, the revisions shall become operative only after approval by the state board.

281—80.9(272) Organizational and resource standards. Organization and resources shall adequately support the preparation of paraeducator candidates to enable them to meet state standards in accordance with the provisions of this rule.

80.9(1) The unit provides resources and support necessary for the delivery of a quality certification program, including:

- a. A commitment to a work culture, policies, and faculty/staff assignments that promote and support best practices in education;
- b. Resources to support a quality hands-on (clinical) experience;
- c. Resources to support professional development opportunities for certified paraeducators and unit faculty;
- d. Resources to support technological and instructional needs to enhance candidate learning; and
- e. A commitment of sufficient administrative, clerical, and technical staff to ensure implementation of a quality program.

80.9(2) The unit provides evidence of collaboration with members of the professional community, including the unit's advisory committee comprised of school administrators, classroom teachers, currently employed paraprofessionals and others, to design, deliver, and evaluate programs to prepare paraeducators.

80.9(3) When a unit is a part of a college or university, the unit maintains ongoing collaboration with the appropriate departments of the institution, especially regarding content knowledge.

80.9(4) The unit has primary responsibility for all paraeducator preparation programs offered through any delivery model.

80.9(5) The unit has a clearly articulated appeals process for decisions affecting candidates. This process is communicated to all candidates and staff. The unit may use an institutionwide appeals process to meet the requirements of this subrule.

EDUCATION DEPARTMENT[281](cont'd)

80.9(6) The unit's use of staff in teaching roles is purposeful and managed to ensure integrity, quality, and continuity of the program(s).

80.9(7) The unit ensures that resources are equitable for all program components, regardless of delivery or location.

281—80.10(272) Diversity standards. The unit shall ensure that the paraeducator preparation program meets the following diversity standards.

80.10(1) The unit provides an environment and experiences to paraeducator candidates to support candidate growth in knowledge, skills and dispositions to help diverse groups of PK-12 students learn.

80.10(2) The unit establishes and maintains a climate that promotes and supports diversity.

80.10(3) The unit's plans, policies, and practices document its efforts in establishing and maintaining a diverse staff and paraeducator candidate pool that strives to represent the diverse makeup of the community at large.

80.10(4) In addition to the requirements of rule 281—80.12(272), the unit shall gather data about its implementation of this rule, use those data to make program improvements, and share those data and improvements with the schools and communities it serves.

281—80.11(272) Faculty standards. Unit staff qualifications and performance shall facilitate the unit's role in the preparation of a professional paraeducator in accordance with the provisions of this rule.

80.11(1) The unit documents the alignment of teaching duties for each faculty member with that member's preparation, knowledge, experiences and skills appropriate for training paraeducators to serve in a school setting.

80.11(2) The institution shall hold unit staff accountable for teaching the critical concepts and principles of the discipline.

80.11(3) For the purpose of implementing each of the requirements of this chapter, unit faculty shall maintain ongoing, actual involvement in settings where paraeducators are employed.

281—80.12(272) Program assessment and evaluation standards. The unit's assessment system shall appropriately monitor individual candidate performance and use that data in concert with other program information to improve the unit and its programs in accordance with the provisions of this rule.

80.12(1) Each paraeducator candidate's knowledge and skills shall be measured against state certification standards adopted by the board of educational examiners under Iowa Code section 272.12 and the unit's learning outcomes for any certificate for which the unit may recommend the candidate.

80.12(2) Programs shall submit curriculum exhibits for approval by the department.

80.12(3) The unit shall establish a standard of satisfactory performance of paraeducator candidates, which shall comply with the following requirements.

a. The unit uses measures for candidate assessment that are fair, reliable and valid.

b. The unit assesses candidates on their demonstration and attainment of unit standards.

c. The unit uses a variety of assessment measures for assessment of candidates on each unit standard.

d. The unit provides candidates with formative feedback on their progress toward attainment of unit standards.

e. The unit assesses content knowledge and its application as candidates work with students, teachers, parents, and other professional colleagues in school settings.

f. The unit assesses candidates at the same level of performance across programs, regardless of the place or manner in which the program is delivered.

80.12(4) The unit shall conduct a survey of graduates and their employers to ensure that its graduates are well prepared for their assigned roles.

80.12(5) The unit shall have a clearly defined, cohesive assessment system and regularly review, analyze and revise its assessment practices.

EDUCATION DEPARTMENT[281](cont'd)

80.12(6) The unit shall collect and analyze aggregated candidate and program data, use those data to make program improvements, and share those data and improvements with stakeholders on a regular basis.

80.12(7) An annual report including a composite of evaluative data collected by the unit shall be submitted to the department by September 30 of each year.

80.12(8) When it publicly reports data, the unit shall comply with all applicable privacy laws, including the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g.

281—80.13(272) Clinical practice standards. The unit and its school partners shall provide clinical experience opportunities that assist candidates in becoming successful paraeducators in accordance with the provisions of this rule.

80.13(1) Paraeducator clinical experiences support learning in the context in which paraeducators will practice.

80.13(2) Paraeducator clinical experiences include the following:

a. A minimum of ten hours of experience in a state-approved school or educational facility under the supervision of a licensed educator.

b. Opportunities for paraeducator candidates to observe and be observed by others in the application of skills and knowledge.

These rules are intended to implement Iowa Code section 256.7(22).

ARC 1881C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby proposes to amend Chapter 98, “Financial Management of Categorical Funding,” Iowa Administrative Code.

Chapter 98 outlines the financial management of categorical funding. The proposed amendments to Chapter 98 reflect legislative changes impacting the following: definitions; home school assistance program; statewide voluntary four-year-old preschool program; operational function sharing supplementary weighting; limited English proficiency (LEP) weighting; gifted and talented (TAG) program; returning dropout and dropout prevention program; Iowa early intervention block grant, also known as the early intervention supplement; teacher salary supplement; teacher leadership supplement, educator quality basic salary; educator quality professional development, also known as the professional development supplement; educational excellence, phase I; levies and funds; general fund; management fund; physical plant and equipment levy (PPEL) fund; capital projects fund; special education instruction fund; and juvenile home program instruction fund. The proposed amendments also add new rules that are based upon relatively recent legislation and pertain to early literacy and an entrepreneurial education fund.

A more detailed explanation of these amendments follows:

Item 1: House File 215 (2013) amended existing Iowa Code language to change references to “allowable growth” to read “supplemental state aid” or “supplemental amount.” This language adjustment occurs in multiple subsections of Iowa Code chapter 257 and is made herein in this item and Items 6, 8, 9, and 16.

EDUCATION DEPARTMENT[281](cont'd)

Item 2: House File 645 (2011) amended Iowa Code section 298.3 to allow for bundling of instructional technology to meet the \$500 threshold in PPEL. This amendment adds a definition of “Technology” to align with the changes in Iowa Code section 298.3.

Item 3: Senate File 2376 (2010) amended Iowa Code section 299A.12 to expand the permissive uses of home school assistance program (HSAP) funds. The addition of “teaching” in paragraph 98.12(1)“b” simply clarifies that HSAP resources are for parents providing home schooling to their children (i.e., teaching parents). The addition of paragraph 98.12(1)“i” clarifies that HSAP funds may be used for transportation costs associated with the delivery of HSAP programming. The clarifications in subrule 98.12(2) simply reflect that these program (categorical) funds cannot be used for infrastructure, which is the same restriction that is placed on all other categorical funds. Rent is a possible appropriate use, but rent can never be paid from program funds. It must be paid from PPEL or capital projects funding and then transferred in through an interfund transfer from HSAP funding.

Item 4: House File 877 (2007) created the statewide voluntary four-year-old preschool program. Iowa Code section 256C.4(1)“e” specifically states that building construction is a nonpermissive use of these program funds. This amendment is consistent with that Iowa Code provision.

Item 5: House File 2271 (2014) made changes to operational sharing in Iowa Code section 257.11(7)“a.” This amendment is consistent with that Iowa Code update.

Item 6: Senate File 452 (2013) changed the number of years of supplemental weighting from four to five in both Iowa Code section 257.31(5) and Iowa Code section 280.4(3). This amendment is consistent with that change in the Iowa Code.

Item 7: This amendment, which modifies a confusing sentence, is a clarification that has been needed for several years. The sentence as amended simply states that all uses of funds, other than those listed in subrule 98.18(1) as permissive, are not permissive. This change is not a change to current practice.

Item 8: These amendments clarify in rule what the Department of Education has been allowing in practice, namely, that equipment costs and transportation costs related to TAG programming are allowable. These amendments also make the rule consistent with other existing categorical funding rules. They also clarify that using TAG funds for purposes not related to TAG programming is not allowable.

Item 9: The amendment to subrule 98.21(1) replaces “public or nonpublic school” with “school district” since the funding is district-exclusive. Subrule 98.21(2) is amended to clarify that funds are to be used for this programming exclusively and not for general purposes. These amendments are consistent with changes made by Senate File 451 (2012) to Iowa Code section 257.41.

Items 10 and 11: These amendments remove outdated language related to “grants in aid.” This funding is now included in the state school aid formula.

Item 12: A new rule that relates to the new teacher leadership supplement funding established by House File 215 (2013) is added. The rule’s construction mirrors that of the other rules, and the rule is established in accordance with Iowa Code section 284.15.

Item 13: This amendment mirrors those in Items 10 and 11, as this funding is now included in state aid, but the amendment also clarifies that the funding can be used for the new teacher leadership and compensation (TLC) programming in Iowa Code section 284.15 as well as for prior uses. (House File 215, 2013)

Item 14: A new rule that relates to the early literacy programming included in Senate File 2282 (2012) is added. Provisions related to this programming are included in Iowa Code sections 256.7(31), 256.9(53), 279.60 and 279.68. The rule language mirrors Iowa Code language as well as the provisions of other categorical funding rules discussing permissive and nonpermissive uses.

Item 15: This amendment provides additional detail clarifying certain parameters around categorical funding that have been operationalized for many years.

Item 16: The amendments to subrule 98.61(2) clarify that asbestos abatement and start-up costs for new buildings are permissive uses of general funds. Both items can be brought to the School Budget Review Committee (SBRC) for additional supplemental aid but must first be paid from general funds and then taxed back after the SBRC approval is received.

Item 17: Senate File 220 (2014) adjusted the statutory provision from “55 to 65” to “55 years of age or older” in Iowa Code section 279.46. This amendment mirrors the current statute.

EDUCATION DEPARTMENT[281](cont'd)

Item 18: These amendments are due to the change in instructional technology bundling addressed in Item 2.

Item 19: This amendment clarifies that the provision added is a permissive use of capital projects funds, as has been the interpretation for years.

Item 20: Existing rules are renumbered to make room for the new rule in Item 21.

Item 21: House File 553 (2013) created the entrepreneurial education fund. The new rule in this item simply mirrors the Iowa Code provisions related to the fund and further explains permissive and nonpermissive uses of that funding established in Iowa Code section 298A.15.

Item 22: The amendments update the rule to reflect current terminology. There is no change in practice.

Item 23: The amendments update the rule to reflect current terminology and add language which states the expectation that area education agencies will include cost containment as a principle to consider when they are developing these programs. The amendments also mirror the guidance issued by the Department of Education to the field and are consistent with other provisions related to permissive and nonpermissive uses of categorical funds.

Item 24: Due to the renumbering of rules in Item 20, two cross references are updated in this item.

An agencywide waiver provision is provided in 281—Chapter 4.

Interested individuals may make written comments on the proposed amendments until 4:30 p.m. on March 10, 2015. Comments on the proposed amendments should be directed to Jeff Berger, Deputy Director, Iowa Department of Education, Second Floor, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa 50319-0146; telephone (515)281-8661; or e-mail at jeff.berger@iowa.gov.

A public hearing will be held on March 10, 2015, from 10 to 11 a.m. in the State Board Room, Second Floor, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department of Education and advise of specific needs by calling (515)281-5295.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 257 and sections 256.7(31), 256.9(53), 256C.4(1)“e,” 279.46, 279.60, 279.68, 280.4(3), 284.15, 298.3, 298A.15 and 299A.12.

The following amendments are proposed.

ITEM 1. Amend rule **281—98.1(256,257)**, definition of “Budgetary allocation,” as follows:

“*Budgetary allocation*” means the portion of the funding that is specifically earmarked for a particular purpose or designated program and ~~which that~~, in the case of the general fund, has been rolled into, or added to, the school district cost per pupil or school district regular program cost. Budgetary allocations may include both state aid and property tax. Budgetary allocations increase budget authority on the first day of the fiscal year for which the allocation has been certified or on the date that the school budget review committee approves the modified allowable growth supplemental amount for a specific purpose or program; the budget authority remains even if the full amount of revenue is not received or if the local board does not levy a cash reserve. There is no assumption that a school district or area education agency will receive the same amount of revenue as it has received in budget authority due to delinquent property taxes, cuts in state aid, or legislative decisions to fund other instructional programs off the top of state aid. The school district or area education agency must expend the full amount of budget authority for the specific purposes for which it was earmarked. When the school district or state cost per pupil is transferred from one school district to another school district in the form of tuition as required by the Iowa Code, any budgetary allocation that is included in the school district or state cost per pupil shall be considered transferred to the receiving school district and shall be expended for the specific purpose for which it was earmarked.

ITEM 2. Adopt the following new definition of “Technology” in rule **281—98.1(256,257)**:

“*Technology*” means hardware, noninstructional software and software required to provide functionality to the hardware, wireless presenters, networking and connectivity systems, computing storage, Web site development services, hardware carrying equipment, licensing, and technical

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assistance for installation of hardware, software, or software updates. Technology does not include such items as instructional software or textbook substitutes as defined in Iowa Code chapter 301, professional development, staff providing support to teachers or students, general supplies, district personnel or individuals/companies hired or contracted in lieu of district personnel, travel, printing costs or media services not listed in this definition, insurance, most purchased services, or similar district functions. Maintenance contracts do not meet the definition of “technology” unless they are actually a license renewal fee; Internet subscriptions, licenses, or fees; cable or satellite services; or very similar services.

ITEM 3. Amend subrules 98.12(1) and 98.12(2) as follows:

98.12(1) *Appropriate uses of categorical funding.* Appropriate uses of the home school assistance program funding include, but are not limited to, the following:

- a. No change.
- b. Services to support students enrolled in a home school assistance program, to support the teaching parents of the students, and to support home school assistance program staff.
- c. to f. No change.
- g. Resources, materials, computer software, supplies, equipment, and purchased services (1) that are necessary to provide the services of home school assistance and (2) that will remain with the school district for its home school assistance program.
- h. No change.
- i. Student transportation exclusively for home school assistance program-approved field trips or other educational activities.

98.12(2) *Inappropriate uses of categorical funding.* Inappropriate uses of the home school assistance program funding include, but are not limited to, indirect costs or use charges; operational or maintenance costs other than those necessary to operate and maintain the program; capital expenditures other than equipment or facility acquisition, including the lease or rental of space to supplement existing schoolhouse facilities for the program; student transportation except in cases of home school assistance program-approved field trips or other educational activities; administrative costs other than the costs necessary to administer the program; concurrent and dual enrollment costs, including postsecondary enrollment options program costs; or any other expenditures not directly related to providing the home school assistance program. A home school assistance program shall not provide moneys or resources paid for with this program funding to parents or students utilizing the program. For capital expenditures for lease or rental of classrooms or facilities for this program, the cost will be expended from a capital projects fund. A reimbursement for that cost related to the program will be an interfund transfer to the capital project fund from the program funding.

ITEM 4. Amend subrule 98.13(3) as follows:

98.13(3) *Inappropriate uses of categorical funding.* Inappropriate uses of the statewide voluntary four-year-old preschool program funding include, but are not limited to, indirect costs or use charges, capital expenditures other than equipment, facility acquisition, construction, debt service, operational or maintenance costs or administrative costs that supplant or that exceed 5 percent, or any other expenditures not directly related to providing the statewide voluntary four-year-old preschool program or that supplant existing public funding for preschool programming.

ITEM 5. Amend rule 281—98.15(257) as follows:

281—98.15(257) *Operational function sharing supplementary weighting.* Operational function sharing supplementary weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of incenting sharing of management-level staff. It is assumed that operational function sharing supplementary weighting covers only a portion of the costs of sharing management-level staff, a curriculum director, or a school counselor and shall be fully expended within the five-year period of sharing. Therefore, school districts are not required to account for the operational function sharing supplementary weighting funding separate from the general purpose revenues.

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ITEM 6. Amend rule 281—98.16(257,280), introductory paragraph, as follows:

281—98.16(257,280) Limited English proficiency (LEP) weighting. Limited English proficiency weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of providing funding for the excess costs of instruction of limited English proficiency students above the costs of instruction of pupils in a regular curriculum. In addition, the school budget review committee may grant a modified allowable-growth supplemental amount to continue funding of the excess costs beyond the ~~four~~ five years of weighting. Funding for the limited English proficiency weighting and the modified allowable-growth supplemental amount for limited English proficiency programs are both categorical funding and may have different restrictions than the federal limited English proficiency funding.

ITEM 7. Amend subrules 98.18(1) and 98.18(2) as follows:

98.18(1) *Appropriate uses of categorical funding.* Appropriate uses of at-risk formula supplementary weighting funding include costs to develop or maintain at-risk pupils' programs, which may include alternative school programs, and include, but are not limited to:

a. and *b.* No change.

c. Research-based resources, materials, software, supplies, equipment, and purchased services that meet all of the following criteria:

(1) to (4) No change.

98.18(2) *Inappropriate uses of categorical funding.* Inappropriate uses of the at-risk formula supplementary weighting funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation other than as allowed in subrule 98.18(1), administrative costs other than ~~those related to a separate school located off site and where the administrator is assigned exclusively to this program~~ as allowed in subrule 98.18(1), or any other expenditures not directly related to providing the at-risk or alternative school program beyond the scope of the regular classroom program.

ITEM 8. Amend rule 281—98.20(257) as follows:

281—98.20(257) Gifted and talented program. Gifted and talented program funding is included in the school district cost per pupil calculated for each school district under the school foundation formula. The per-pupil amount increases each year by the allowable-growth supplemental state aid percentage. This amount must account for not more than 75 percent of the school district's total gifted and talented program budget. The school district must also provide a local match from the school district's regular program district cost and the local match portion must be a minimum of 25 percent of the total gifted and talented program budget. In addition, school districts may receive donations and grants, and the school district may contribute more local school district resources toward the gifted and talented program. The 75 percent portion, the local match, and all donations and grants shall be accounted for as categorical funding.

The purpose of the gifted and talented funding described in Iowa Code section 257.46 is to provide for identified gifted students' needs beyond those provided by the regular school program pursuant to each gifted student's individualized plan. The funding shall be used only for expenditures that are directly related to providing the gifted and talented program.

98.20(1) *Appropriate uses of categorical funding.* Appropriate uses of the gifted and talented program funding include, but are not limited to:

a. and *b.* No change.

c. Resources, materials, software, supplies, equipment, and purchased services that meet all of the following criteria:

(1) to (4) No change.

d. Student transportation exclusively for approved gifted and talented program field trips or other educational activities.

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98.20(2) *Inappropriate uses of categorical funding.* Inappropriate uses of the gifted and talented program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation other than field trips exclusive to this program, administrative costs, or any other expenditures not directly related to providing the gifted and talented program beyond the scope of the regular classroom.

ITEM 9. Amend rule 281—98.21(257) as follows:

281—98.21(257) Returning dropout and dropout prevention program. Returning dropout and dropout prevention programs are funded through a school district-initiated request to the school budget review committee for a modified ~~allowable growth~~ supplemental amount pursuant to Iowa Code sections 257.38 to 257.41. This amount must account for not more than 75 percent of the school district's total dropout prevention budget. The school district must also provide a local match from the school district's regular program district cost, and the local match portion must be a minimum of 25 percent of the total dropout prevention budget. In addition, school districts may receive donations and grants, and the school district may contribute more local school district resources toward the program. The 75 percent portion, the local match, and all donations and grants shall be accounted for as categorical funding.

98.21(1) *Purpose of categorical funding.* The purpose of the dropout prevention funding is to provide funding to meet the needs of identified students at risk of dropping out of school beyond the instructional program and services provided by the regular school program. The funding shall be used only for expenditures that are directly related to the returning dropout and dropout prevention program.

a. Returning dropouts are resident pupils who have been enrolled in a ~~public or nonpublic~~ school district in any of grades 7 through 12 who withdrew from school for a reason other than transfer to another school or school district and who subsequently reenrolled in a public school in the school district.

b. Potential dropouts are resident pupils who are enrolled in a ~~public or nonpublic~~ school district who demonstrate poor school adjustment as indicated by two or more of the following:

(1) to (5) No change.

98.21(2) *Appropriate uses of categorical funding.* Appropriate uses of the returning dropout and dropout prevention program funding include, but are not limited to:

a. Salary and benefits for instructional staff, instructional support staff, and school-based youth services staff who are working with students who are participating in dropout prevention programs, alternative programs, and alternative schools, in a traditional or alternative setting, if the staff person's time is dedicated to working with returning dropouts or students who are deemed, at any time during the school year, to be at risk of dropping out, in order to provide services beyond those which are provided by the school district to students who are not identified as at risk of becoming dropouts. However, if the staff person works part-time with students who are participating in returning dropout and dropout prevention programs, alternative programs, and alternative schools and has another unrelated staff assignment, only the portion of the staff person's time that is related to the returning dropout and dropout prevention program, alternative program, or alternative school may be charged to the program.

For purposes of this paragraph, ~~if an alternative setting is may be necessary to provide for a program which is offered at a location off school grounds and which is intended to serve student needs by improving relationships and connections to school, decreasing truancy and tardiness, providing opportunities for course credit recovery, or helping students identified as at risk of dropping out to accelerate through multiple grade levels of achievement within a shortened time frame, the tuition costs for a student identified as at risk of dropping out shall be considered an appropriate use of the returning dropout and dropout prevention program funding.~~

b. No change.

c. Research-based resources, materials, software, supplies, equipment, and purchased services that meet all of the following criteria:

(1) to (4) No change.

d. Transportation provided by the school district exclusively to transport identified students to an alternative school or alternative program located in and provided by another Iowa school district.

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e. The portion of the maximum tuition allowed by Iowa Code section 282.24 that corresponds to the portion exclusively providing direct additional instruction and services to an identified group of students above the costs of instruction of pupils in a regular curriculum.

f. School-level administrator assigned exclusively to an off-site alternative school program within the district. If the principal is administering the program part-time, then the portion of time that is exclusively and directly related to the program may be charged to the program, but the portion of time that is related to other purposes shall not.

d. g. Up to 5 percent of the total budgeted amount received pursuant to 2012 Iowa Acts, Senate File 451, section 1(1), may be used for purposes of providing districtwide or buildingwide returning dropout and dropout prevention programming targeted to students who are not deemed at risk of dropping out.

98.21(3) *Inappropriate uses of categorical funding.* Inappropriate uses of the returning dropout and dropout prevention program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation other than as allowed in subrule 98.21(2), administrative costs other than those ~~related to a separate school located off site and where the administrator is assigned exclusively to this program~~ allowed in subrule 98.21(2), expenses related to the routine duties of a school nurse, general support for a school guidance counselor including any activities performed with qualified students that are also provided to all students, or any other expenditures not directly related to providing the returning dropout and dropout prevention program beyond the scope of the regular classroom.

ITEM 10. Amend rule 281—98.23(256D,257), introductory paragraph, as follows:

281—98.23(256D,257) Iowa early intervention block grant, also known as early intervention supplement. ~~Beginning with the fiscal year 2009-2010, the Iowa early intervention block grant program is converted from a grants-in-aid categorical funding to a budgetary allocation categorical funding.~~ The program's goals for kindergarten through grade 3 are to provide the resources needed to reduce class sizes in basic skills instruction to the state goal of 17 students for every one teacher; provide direction and resources for early intervention efforts by school districts to achieve a higher level of student success in the basic skills, especially reading skills; and increase communication and accountability regarding student performance.

ITEM 11. Amend rule 281—98.24(257,284), introductory paragraph, as follows:

281—98.24(257,284) Teacher salary supplement. Beginning with the fiscal year 2009-2010, the educational excellence Phase II program and the educator quality basic salary program were combined ~~and converted from grants-in-aid categorical funding to a budgetary allocation categorical funding.~~ Remaining balances in the educational excellence Phase II program and the educator quality basic salary program shall be expended for the same purposes as the teacher salary supplement. A teacher may be employed in both an administrative and a nonadministrative position by a board of directors of a school district and shall be considered a part-time teacher for the portion of time that the teacher is employed in a nonadministrative position.

ITEM 12. Adopt the following new rule 281—98.25(257,284):

281—98.25(257,284) Teacher leadership supplement. The purpose of the teacher leadership supplement is to improve instruction and elevate the quality of teaching and student learning.

98.25(1) *Appropriate uses of categorical funding.* Appropriate uses of teacher leadership supplement funding shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to Iowa Code section 284.15; to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to \$33,500; to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs

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associated with a framework or comparable system approved by the department of education under Iowa Code section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning. "Payment for a teacher" as used in this rule means additional salary for teachers and the amount required to pay the employer's share of the federal social security and Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294. Appropriate uses also include payments to another school district or districts as negotiated in a whole grade sharing agreement pursuant to Iowa Code section 282.10(4) and payment to another school district receiving an open enrolled student pursuant to Iowa Code section 282.18.

98.25(2) *Inappropriate uses of categorical funding.* Inappropriate uses of teacher leadership supplement funding shall include any expenditures other than the appropriate uses described in subrule 98.25(1).

ITEM 13. Amend rule 281—98.26(257,284), introductory paragraph, as follows:

281—98.26(257,284) Educator quality professional development, also known as professional development supplement. ~~Beginning with the fiscal year 2009-2010, the educator quality professional development program, including core curriculum professional development, is converted from a grants-in-aid categorical funding to a budgetary allocation categorical funding. The purpose of the funding is to implement the professional development provisions of the teacher career paths and leadership roles specified in Iowa Code section 284.7 or 284.15.~~

ITEM 14. Adopt the following **new** rule 281—98.45(279):

281—98.45(279) Early literacy. School districts shall provide intensive supplemental reading instruction to any student who has been identified as exhibiting a substantial deficiency in reading, based upon an assessment or through teacher observations. The student's reading proficiency shall be reassessed by locally determined or statewide assessments. The student shall continue to be provided with intensive reading instruction until the reading deficiency is remedied. The district shall promote effective evidence-based programming, instruction and assessment practices across schools to support all students in becoming proficient readers by the end of the third grade. Programs and services may extend beyond third grade.

98.45(1) *Appropriate uses of categorical funding.* Appropriate uses of early literacy program funding include, but are not limited to:

- a. Intensive supplemental instructional programs, instructional support, and assessment for identified students;
- b. Professional development for staff regarding early literacy program requirements, instructional materials, and assessments;
- c. Purchase of supplemental or specialized curriculum or instructional materials and assessments that are scientific, research-based and meet the standards of Iowa Code section 279.68 for identified students;
- d. If not already being provided with other sources of funding or general program funding, tutoring, mentoring, and extended school day, week, or year programs for identified students;
- e. Intensive summer literacy programs at the K-3 level for identified students;
- f. Transportation services for identified students participating in intensive summer literacy programs.

98.45(2) *Inappropriate uses of categorical funding.* Inappropriate uses of early literacy program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation other than as allowed in subrule 98.45(1), or administrative costs.

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ITEM 15. Amend rule 281—98.60(24,29C,76,143,256,257,274,275,276,279,280,282,283A,285,291,296,298,298A,300,301,423E,423F,565,670) as follows:

281—98.60(24,29C,76,143,256,257,274,275,276,279,280,282,283A,285,291,296,298,298A,300,301,423E,423F,565,670) Levies and funds. Tax levies or funds that are required by law to be expended only for the specific items listed in statute shall be accounted for in a similar way to categorical funding. Each fund is mutually exclusive and completely independent of any other fund. No fund shall be used as a clearing account for another fund, no fund may retire the debt of another fund unless specifically authorized in statute, and transfers between funds shall be accomplished only as authorized in statute or as approved by the school budget review committee. Public funds shall not be used for private purposes.

ITEM 16. Amend rule 281—98.61(24,143,257,275,279,280,285,297,298,298A,301,473,670) as follows:

281—98.61(24,143,257,275,279,280,285,297,298,298A,301,473,670) General fund. All moneys received by a school corporation from taxes and other sources shall be accounted for in the general fund, except moneys required by law to be accounted for in another fund. If another fund specifically lists an expenditure to that other fund, it is assumed not to be appropriate to the general fund unless statute expressly states that it is an appropriate general fund expenditure. Each school district and each area education agency shall have only one general fund.

98.61(1) Sources of revenue in the general fund. Sources of revenue in the general fund include all moneys not required by law to be accounted for in another fund and interest on the investment of those moneys. Proceeds from the sale or disposition of property other than real property, proceeds from the lease of real or other property, compensation or rent received for the use of school property, sales of school supplies, and sales or rentals of textbooks shall be accounted for in the general fund. Proceeds for loans for equipment pursuant to Iowa Code section 279.48, federal loans for asbestos projects pursuant to Iowa Code section 279.52, or loans for energy conservation projects pursuant to Iowa Code section 473.20 may be accounted for in the general fund. Any revenue or receipt described in law as “miscellaneous income” or related to the modified allowable-growth supplemental amount is restricted to the general fund.

98.61(2) Appropriate uses of the general fund. Appropriate expenditures in the general fund include, but are not limited to, the following:

a. to m. No change.

n. Funding asbestos projects including the costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, and developing of management plans and record-keeping requirements relating to the presence of asbestos in school buildings and its removal or encapsulation as authorized by the school budget review committee in the case of a school district.

o. to q. No change.

r. Start-up costs, other than land purchase, for the first year of a new student construction program.

≠ s. Paying any other costs not required to be accounted for in another fund.

98.61(3) Inappropriate uses of the general fund. Inappropriate expenditures in the general fund include the following:

a. Purchasing land or improvements ~~other than land for student construction projects.~~

b. to h. No change.

98.61(4) No change.

ITEM 17. Amend rule 281—98.62(279,296,298,670) as follows:

281—98.62(279,296,298,670) Management fund. The purpose of this fund is to pay the costs of unemployment benefits; early retirement benefits; insurance agreements; liability insurance to protect the school districts from tort liability, loss of property, and environmental hazards; and judgments or settlements relating to such liability. The authority to establish a management fund is available to school districts but not to area education agencies.

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98.62(1) No change.

98.62(2) *Appropriate uses of the management fund.* Appropriate expenditures in the management fund include the following:

a. to d. No change.

e. Costs of early retirement benefits to employees under Iowa Code section 279.46 to pay a monetary bonus, continuation of health or medical insurance coverage, or other incentives for encouraging employees to retire before the normal retirement date for employees ~~within the age range of 55 to 65 years of age or older~~ who notify the board of directors prior to April 1 of the fiscal year that they intend to retire not later than the start of the next following school calendar.

f. to h. No change.

98.62(3) No change.

ITEM 18. Amend rule 281—98.64(279,283,297,298) as follows:

281—98.64(279,283,297,298) Physical plant and equipment levy (PPEL) fund. The physical plant and equipment levy (PPEL) consists of the regular PPEL not to exceed \$0.33 per \$1000 of assessed valuation and a voter-approved PPEL not to exceed \$1.34 per \$1000 of assessed valuation, for a total of \$1.67. The authority to establish a PPEL fund is available to school districts but not to area education agencies.

98.64(1) No change.

98.64(2) *Appropriate uses of the PPEL fund.* Appropriate expenditures in the PPEL fund include the following:

a. to q. No change.

r. Purchase of land as part of start-up costs for a new student construction program or if the sale proceeds of the previous student construction were insufficient to purchase land, but not for materials and supplies for a facility intended to be sold.

s. Construction materials and supplies for a student-constructed building or shed intended to be retained by and used by the district.

t. Demolition of a district-owned building.

u. Improving buildings or sites for the purpose of accessing digital telecommunications over multiple channels, often referred to as broadband.

98.64(3) *Inappropriate uses of the PPEL fund.* Inappropriate expenditures in the PPEL fund include the following:

a. Student construction materials and supplies for a facility intended to be sold.

b. to g. No change.

ITEM 19. Amend rule 281—98.69(76,273,298,298A,423E,423F) as follows:

281—98.69(76,273,298,298A,423E,423F) Capital projects fund. Capital projects funds are used to account for financial resources to acquire or construct major capital facilities and to account for revenues from the previous local option sales and services tax for school infrastructure and the current state sales and services tax for school infrastructure. Boards of directors of school districts are authorized to establish more than one capital projects fund as necessary.

98.69(1) No change.

98.69(2) *Appropriate uses of the capital projects fund.*

a. Appropriate expenditures in a capital projects fund, excluding state/local option sales and services tax for school infrastructure fund, include the following:

(1) to (3) No change.

(4) Improving buildings or sites for the purpose of accessing digital telecommunications over multiple channels, often referred to as broadband.

b. Appropriate expenditures in the state/local option sales and services tax for the school infrastructure capital projects fund shall be expended in accordance with a valid revenue purpose

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statement if a valid revenue purpose statement exists, otherwise appropriate expenditures include the following in order:

(1) to (6) No change.

(7) Improving buildings or sites for the purpose of accessing digital telecommunications over multiple channels, often referred to as broadband.

98.69(3) *Inappropriate uses of the capital projects fund.* Inappropriate expenditures in a capital projects fund include ~~student construction or~~ any expenditure not expressly authorized in the Iowa Code. Additionally, expenditures from the state/local options sales and services tax supplemental school infrastructure amount for new construction or for payments for bonds issued for new construction in any district that has a certified enrollment of fewer than 250 pupils in the district or a certified enrollment of fewer than 100 pupils in the high school without a certificate of need issued by the department of education. This restriction does not apply to payment of outstanding general obligation bonded indebtedness issued pursuant to Iowa Code section 296.1 before April 1, 2003. This restriction also does not apply to costs to repair school buildings; purchase of equipment, technology or transportation equipment authorized under Iowa Code section 298.3; or for construction necessary to comply with the federal Americans With Disabilities Act. Expenditures from the state/local options sales and services tax revenues have the same restriction as expenditures from the supplemental school infrastructure amount, excluding the restriction on payments for bonds issued for new construction.

ITEM 20. Renumber rules **281—98.71(256B,257,298A)** to **281—98.77(298A)** as **281—98.72(256B,257,298A)** to **281—98.78(298A)**.

ITEM 21. Adopt the following new rule 281—98.71(298A):

281—98.71(298A) Entrepreneurial education fund. The entrepreneurial education fund is used to enhance student learning by encouraging students to develop and practice entrepreneurial skills at an early age and to foster a business-ready workforce in this state. A school corporation may establish an entrepreneurial education fund at the request of a student organization or club and upon approval by the school board.

98.71(1) *Sources of revenue in the entrepreneurial education fund.* Sources of revenue in the entrepreneurial education fund shall consist only of moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club, private donations and private contributions, and any interest earned on such moneys that are deposited in the fund. At the request of a student organization or club and upon approval by the school board, a school corporation shall transfer moneys in a student activity fund established under Iowa Code section 298A.8, for deposit by the student organization or club in an entrepreneurial education fund. However, a school corporation shall not transfer such moneys unless the moneys are attributable through appropriate documentation to the specific student organization or club and unless the student organization or club shows through appropriate documentation that the student organization or club earned the moneys through entrepreneurial activities of starting, maintaining, or expanding a business venture, including a seasonal business venture, or rendering other labor or services in return for compensation. Entrepreneurial activities do not include charitable contributions or other donations or gifts received by the student organization or club for which no labor or services are rendered.

98.71(2) *Appropriate uses of the entrepreneurial education fund.* Appropriate uses of the entrepreneurial education fund are limited to expending only for investments made, or activities undertaken, for board-approved entrepreneurial purposes which include investing in a start-up company, early-stage company, or existing company developing a new product or new technology if the investment is in keeping with the education program of the school corporation; if the student organization or club or its members will, as a stated condition of the investment, take an active role in the company which active role directly relates to and furthers the educational purposes for which the student organization or club is established; and if a reasonable return upon the investment is expected.

98.71(3) *Inappropriate uses of the entrepreneurial education fund.* A student organization or club shall not invest moneys from an entrepreneurial education fund for an entrepreneurial purpose in which

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a member of the student organization or club, an advisor or supervisor of the student organization or club, or an immediate family member of such persons, has a financial interest.

98.71(4) Fund closure. An entrepreneurial education fund may be closed at the request of the student organization or club for which the school corporation established the fund. All moneys in the fund on the date of closure and any subsequent return on an investment made with moneys from the fund shall be deposited in the school district's student activity fund.

ITEM 22. Amend renumbered rule 281—98.72(256B,257,298A) as follows:

281—98.72(256B,257,298A) Special education instruction fund. The special education instruction fund is used to account for the revenues and expenditures of the special education instructional program that an area education agency provides for its member districts under Iowa Code subsection 273.9(2). This does not include special education support services as provided by Iowa Code subsection 273.9(3) which are accounted for in the general fund.

98.72(1) Sources of revenue in the special education instruction fund. Sources of revenue in the special education instruction fund include ~~tuition charged~~ sales of instructional services to districts with students in the special education instruction program and interest on the investment of those moneys.

98.72(2) Appropriate uses of the special education instruction fund. Appropriate expenditures in the special education instruction fund include those authorized to a school district pursuant to Iowa Code chapter 256B and 281—Chapter 41 and included in the written agreement with the school districts.

98.72(3) Inappropriate uses of the special education instruction fund. Inappropriate expenditures in the special education instruction fund include expenditures not allowed to school districts pursuant to Iowa Code chapter 256B and 281—Chapter 41, expenditures for special education support services provided pursuant to Iowa Code subsection 273.9(3), or expenditures for costs not included in the written agreement with the school districts.

ITEM 23. Amend renumbered rule 281—98.73(282,298A) as follows:

281—98.73(282,298A) Juvenile home program instruction fund. The juvenile home program instruction fund is used to account for the revenues and expenditures for the educational program for students residing in juvenile homes as provided by Iowa Code section 282.30. The juvenile home program supplements, but does not supplant, expenditures required of an area education agency under Iowa Code chapter 273. Revenues and expenditures related to federal or state grants serving students in the juvenile homes that supplement, rather than supplant, the juvenile home program are included in the general fund, rather than the juvenile home fund. Educational program costs for students served pursuant to individualized education programs (IEPs) shall not be included in the claim described in Iowa Code section 282.31 in lieu of billing those costs to the resident district. Educational program costs for out-of-state resident students shall not be included in the claim described in Iowa Code section 282.31 in lieu of billing those costs to the resident state agency. The area education agency (AEA) is responsible for stewardship of public funds and ensuring that all costs are ordinary and necessary costs of instruction and that classrooms are not overstaffed for the number of students. The AEA shall compare its costs, services, and staffing to the costs, services, and staffing of a similar classroom in the school district in which the juvenile home is located to ensure that they are comparable.

98.73(1) Sources of revenue in the juvenile home program instruction fund. Sources of revenue in the juvenile home program instruction fund include an advance paid pursuant to Iowa Code section 282.31, tuition billed to Iowa resident districts or to out-of-state agencies, grants in aid and interest on the investment of those moneys.

98.73(2) Appropriate uses of the juvenile home program instruction fund. Appropriate expenditures in the juvenile home program instruction fund ~~include~~ are ordinary and necessary expenditures approved by the department to provide an instructional program to students residing in juvenile homes. and include:

a. Salary and benefits for classroom teachers and aides providing instruction to students placed in a juvenile home.

EDUCATION DEPARTMENT[281](cont'd)

b. Professional development which is specific to strategies to meet the needs of students in placement for all classroom teachers and aides working with students placed in a juvenile home.

c. Research-based resources, materials, software, supplies, and equipment, and purchased services that are customarily considered instructional and that meet all of the following criteria:

(1) Meet the needs of school-age students placed in juvenile homes,

(2) Will remain with the AEA juvenile home program, and

(3) Do not duplicate support services responsibilities of the AEA or the responsibilities of the juvenile home in its agreement with the placement agencies.

d. Summer school when necessary for a valid, established educational reason such as being included in the student's IEP or required pursuant to Iowa Code section 279.68.

e. Student support and instructional support expenditures to the extent that they are exclusively devoted to the juvenile home instructional program and are not administrative or clerical. This would include guidance services, curriculum development and instructional technology.

f. Administrative support to the extent the administrator is exclusively assigned to the juvenile home locations and is exclusively providing school-level administrative services directly for the student placed in the juvenile home or the classroom teachers. If the administrator is assigned part-time to the juvenile home locations, then the portion of time that is exclusively and directly related to the juvenile home instructional programs may be charged to the program, but the portion of time that is related to other purposes shall not. The total administrative cost shall not exceed 10 percent of the total of all allowable costs for the juvenile home program.

g. When the students are not required by the placement agency to remain at the juvenile home facility and the juvenile home has no responsibility for treatment in its agreement with the placement agency beyond custodial care, then rent may be allowed. Rent must be approved by the department. The space must be classroom space occupied exclusively by the AEA's instructional program and not include restrooms or any other common spaces. Only if rent is approved may any costs for operation or maintenance of that classroom space be allowed. The total administrative cost in paragraph 98.73(2) "f" and the total of rent and associated operation and maintenance shall not exceed 20 percent of the total of all allowable costs for the juvenile home program.

h. Transportation provided by the AEA exclusively to transport students placed at the juvenile home to the students' resident school districts located in Iowa or to the school district in which the juvenile home is located.

98.73(3) *Inappropriate uses of the juvenile home program instruction fund.* Inappropriate expenditures in the juvenile home program instruction fund include the following:

a. and b. No change.

c. Costs related to the juvenile home facility, its responsibilities under Iowa Code or its agreements with the placement agencies.

d. Costs that were or could have been filed with Medicaid for reimbursement.

e. Debt service.

f. Capital outlay related to facilities. This includes any costs for facility acquisition or construction services, including remodeling and facility repair.

g. Support services that are AEA responsibilities pursuant to Iowa Code.

h. Rental when adequate space is available at the AEA or at the district of location or when the students require treatment provided by the juvenile home or are required to remain at the juvenile home pursuant to the agreement between the juvenile home and the placement agency.

i. Costs of an audit.

j. Indirect costs.

ITEM 24. Amend renumbered rule 281—98.78(298A) as follows:

281—98.78(298A) Other enterprise funds. Enterprise funds are used to account for any activity for which a fee is charged to external users for goods and services. Enterprise funds are required to be used to account for any activity whose principal revenue sources are fees and charges to recover the costs of providing goods or services where those fees and charges are permitted by the Iowa Code.

EDUCATION DEPARTMENT[281](cont'd)

Funds discussed in rules 281—~~98.73~~ 98.74(283A,298A) through 281—~~98.76~~ 98.77(298A) are enterprise funds. In addition, enterprise funds include those activities related to community service enterprises or enterprises that support the school curricular program. Community service enterprises are activities provided by the district for a fee to the general community or segment of the community that are not in the PERL or library funds such as public libraries, community pool, community wellness center, and community or adult education. Enterprises that support the school program include activities such as a student farm, greenhouse, cooperative purchasing, school stores, or major resale activities.

ARC 1886C

**ENGINEERING AND LAND SURVEYING EXAMINING
BOARD[193C]**

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 542B.6, the Engineering and Land Surveying Examining Board proposes to amend Chapter 7, “Professional Development,” and Chapter 9, “Complaints, Investigations and Disciplinary Action,” Iowa Administrative Code.

The proposed amendments to Chapter 7 expand acceptable professional development hours.

The proposed amendment to Chapter 9 provides to licensees more detailed guidance pertaining to actions or omissions that could result in disciplinary action. The guidance is patterned after similar rules previously adopted by other professional licensing boards and has been adapted to the specific laws and rules of this Board.

Stakeholder feedback was received from lobbyist David Scott, whose clients include the Iowa Engineering Society and Society of Land Surveyors of Iowa. After discussion with stakeholders at several meetings of the Board, the proposed amendments were approved by all participants.

Any interested person may make written or oral suggestions or comments on the proposed amendments on or before March 11, 2015. Comments should be directed to Robert Lampe, Executive Officer, Iowa Engineering and Land Surveying Examining Board, 200 E. Grand Avenue, Suite 350, Des Moines, Iowa 50309; by telephone at (515)725-9024; or by e-mail to robert.lampe@iowa.gov.

A public hearing will be held at 9 a.m. on March 11, 2015, at the offices of the Professional Licensing Bureau, 200 E. Grand Avenue, Suite 350, Des Moines, Iowa. At the hearing, persons who wish to speak will be asked to give their names and addresses for the record and to confine their remarks to the subject of the proposed amendments.

Any person who plans to attend the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact the Board to discuss specific needs.

These proposed amendments are subject to waiver or variance pursuant to 193—Chapter 5.

These proposed amendments were approved by the Board on January 8, 2015.

There is no fiscal impact. No current fees are being changed, and no new fees are being imposed.

After analysis and review of this rule making, no adverse impact on jobs has been found. Although there should be no impact on jobs, the Board will continue to work with stakeholders to minimize any negative impact and maximize any positive impact toward jobs.

These amendments are intended to implement Iowa Code section 542B.21.

The following amendments are proposed.

ITEM 1. Amend subrule 7.3(2) as follows:

7.3(2) PDH conversion. The following chart illustrates the conversion from other units to PDH:

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C](cont'd)

ACTIVITY	PDH
1 College or unit semester hour Credit for qualifying college or community college courses will be based upon course credit established by the college.	45 PDH per semester hour
1 College or unit quarter hour Credit for qualifying college or community college courses will be based upon course credit established by the college.	30 PDH per quarter hour
1 Continuing Education Unit as defined in 193C IAC— 7.2(542B,272C)	10 PDH
1 Contact hour attendance in a class, course, seminar, or professional or technical presentation made at a meeting, in-house training session, convention or conference. Credit for qualifying seminars and workshops will be based on 1 PDH unit for each hour of attendance. Attendance at qualifying programs presented at professional or technical society meetings will earn PDH units for the actual time of each program, <u>excluding</u> time for breaks and meals.	1 PDH per hour
1 Contact hour teaching a class, course, seminar, or a professional or technical presentation a. Teaching credit is valid for teaching a course or seminar for the first time only. b. Teaching credit does not apply to full-time faculty. c. Teaching credit is limited to 10 PDH per biennial renewal period.	2 PDH per hour
Each published paper, article, or book Credit for published material is earned in the biennium of publication.	10 PDH per publication
Active participation in a professional or technical society. Credit for active participation in professional and technical societies is limited to 2 PDH per renewal period per organization and requires that a licensee serve as an officer or actively participate in a committee of the organization. PDH credits are earned for a minimum of one year's service.	2 PDH per organization per renewal period
Each patent Credit for patents is earned in the biennium the patent is issued.	10 PDH per patent
Participation on an NCEES examination development committee participation or Iowa state specific land surveying examination development committee, including the writing and grading of examination questions, writing reference materials for examinations, and evaluating past examination question performance. Licensees may claim a maximum of 45 30 PDH per biennial renewal period for participation in this activity.	3 2 PDH per hour of committee participation

ITEM 2. Rescind rule 193C—9.3(542B) and adopt the following new rule in lieu thereof:

193C—9.3(17A,272C,542B,546) Grounds for discipline. The board may initiate disciplinary action against a licensee holding an active, inactive or lapsed license on any of the following grounds:

9.3(1) Fraud or deceit in procuring a license. Fraud or deceit in procuring or attempting to procure an initial, comity, renewal, or reinstated license includes any intentional perversion of or reckless disregard for the truth when an application, or information in support of another's application, is submitted to the board, including:

- a. False representation of a material fact, whether by word or by conduct, by false or misleading allegation, or by concealment of that which should have been disclosed.
- b. Attempting to file or filing with the board any false or forged record or document, such as a college transcript, diploma or degree, examination report, verification of licensure, or continuing education certificate.
- c. Reporting information, such as satisfaction of continuing education, in a false manner, through overt deceit, or with reckless disregard for the truth or accuracy of the information asserted.
- d. Otherwise participating in any form of fraud or misrepresentation by act or omission.

9.3(2) Professional incompetence. Professional incompetence includes, but is not limited to:

- a. A substantial lack of knowledge or ability to discharge professional obligations within the practice of engineering or land surveying.
- b. A substantial deviation from the standards of learning or skill ordinarily possessed and applied by other practitioners in the state of Iowa acting in the same or similar circumstances.
- c. A failure to exercise the degree of care which is ordinarily exercised by the average practitioner acting in the same or similar circumstances.

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C](cont'd)

d. Failure to conform to the minimum standards of acceptable and prevailing practice of engineering or land surveying in this state, including the land surveying standards set forth in Iowa Code chapters 354 and 355 and 193C—Chapters 11 and 12.

e. Engaging in engineering or land surveying practices which are outside the technical competence of the licensee without taking reasonable steps to associate with a competent licensee or other steps to ensure competent practice.

f. Any other act or omission that demonstrates an inability to safely practice in a manner protective of the public's interest, including acts or omissions described in 193C—8.3(542B).

9.3(3) Deceptive practices. Deceptive practices are grounds for discipline, whether or not actual injury is established, and include, but are not limited to, the following:

a. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of engineering or land surveying.

b. Use of untruthful or improbable statements in advertisements. Use of untruthful or improbable statements in advertisements includes, but is not limited to, an action by a licensee in making information or intention known to the public which is false, deceptive, misleading or promoted through fraud or misrepresentation.

c. Acceptance of any fee by fraud or misrepresentation.

d. Falsification of business or client records.

e. Submission of false or misleading reports or information to the board including information supplied in an audit of continuing education or as a condition of probation, or in a reference submitted for an examination or a license applicant or in any reports identified in this rule or 193C—8.3(542B).

f. Knowingly presenting as one's own the license, signature, or seal of another or of a fictitious licensee, or otherwise falsely impersonating a person holding an engineering or land surveying license.

g. Representing oneself as a professional engineer or professional land surveyor after the license has been suspended, revoked, surrendered, or placed on inactive status or has lapsed.

h. Fraud in representations as to skill or ability.

i. Any violation of Iowa Code section 542B.16 or associated rules in 193C—Chapter 6 involving a licensee's seal or certificate.

9.3(4) Unethical, harmful or detrimental conduct. Licensees engaging in unethical conduct or practices harmful or detrimental to the public may be disciplined whether or not injury is established. Behaviors and conduct which are unethical or harmful or detrimental to the public include, but are not limited to, the following actions:

a. A violation of the code of professional conduct in 193C—Chapter 8.

b. Verbal or physical abuse, or improper sexual contact, if such behavior occurs within the practice of engineering or land surveying or if such behavior otherwise provides a reasonable basis for the board to conclude that such behavior could occur within such practice and, if so, would place the public at risk.

c. Aiding or abetting a violation of a provision of Iowa Code section 542B.27(1).

9.3(5) Lack of proper qualifications. Lack of proper qualifications includes, but is not limited to:

a. Continuing to practice as an engineer or land surveyor without satisfying the continuing education required for license renewal.

b. Habitual use of or addiction to alcohol or other drugs, or other impairment, which adversely affects the licensee's ability to practice in a safe and competent manner.

c. As provided in Iowa Code section 272C.3(2) "b," any act, conduct, or condition, including lack of education or experience, or a pattern of careless or intentional acts or omissions that demonstrate a lack of qualifications which are necessary to ensure a high standard of professional care or that impair a practitioner's ability to safely and skillfully practice the profession.

9.3(6) Professional misconduct. Professional misconduct includes, but is not limited to, the following:

a. Engaging in any conduct that subverts or attempts to subvert a board investigation of a licensee, license applicant, or unlicensed firm, individual, or other entity.

b. Failure to fully cooperate with a disciplinary investigation of a licensee or license applicant or with an investigation of firms, individuals or other entities that are not licensed by the board.

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C](cont'd)

c. Failure to comply with a subpoena issued by the board or to respond to a board inquiry within 30 calendar days of the date of mailing by certified mail of a written communication directed to the licensee's last address on file with the board.

d. Revocation, suspension, or other disciplinary action taken against a licensee by a licensing authority of this state or another state, territory, or country. A "disciplinary action" includes a voluntary surrender of a license to resolve a pending disciplinary investigation or proceeding. A stay by an appellate court shall not negate this requirement; however, if such disciplinary action is overturned or reversed by a court of last resort, discipline by the board based solely on such action shall be vacated.

e. Violation of the terms of an initial agreement with an impaired practitioner review committee or violation of the terms of an impaired practitioner recovery contract with an impaired practitioner review committee.

f. Engaging in the practice of engineering or land surveying while the person's license is lapsed or inactive.

g. Failure to comply with the terms of a board order or the terms of a settlement agreement or consent order or other board decision imposing discipline.

h. The board's receipt of a notice of noncompliance, as more fully described in rules 193—7.43(252J) (child support), 193—7.44(261) (student loans), and 193—7.45(272D) (state debt).

9.3(7) Willful or repeated violations. Willful or repeated violations include the willful or repeated violation or disregard of any provision of Iowa Code chapter 272C or 542 or any administrative rule adopted by the board in the administration or enforcement of such chapters.

9.3(8) Conviction of felony. Conviction of felony includes the conviction of a felony under the laws of the United States, of any state or possession of the United States, or of any other country. If such conviction is overturned or reversed by a court of last resort, discipline by the board based solely on the conviction shall be vacated.

ARC 1877C**ENVIRONMENTAL PROTECTION COMMISSION[567]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 455B.105 and 455B.173, the Environmental Protection Commission (EPC) hereby gives Notice of Intended Action to amend Chapter 61, "Water Quality Standards," Iowa Administrative Code.

The proposed amendment revises subrule 61.3(5) to adopt by reference a revised Surface Water Classification document. The revised and updated Surface Water Classification reflects use designations which have been determined through fieldwork and the completion of a use attainability analysis (UAA) and includes a change from the presumed use of primary contact recreation to a determined use of secondary contact recreation.

The Surface Water Classification document adopted by reference in the proposed amendment will:

1. Revise and list approximately eight stream segments as Class A1 primary contact recreational use designated waters.
2. Revise and list approximately one stream segment as Class A1 primary contact recreational use and Class B(WW-1) warm water—Type 1 aquatic life use designated waters.
3. Revise and list approximately eight stream segments as Class A1 primary contact recreational use and Class B(WW-2) warm water—Type 2 aquatic life use designated waters.
4. Revise and list approximately two stream segments as Class A2 secondary contact recreational use designated waters.

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

5. Revise and list approximately 36 stream segments as Class A2 secondary contact recreational use and Class B(WW-2) warm water—Type 2 aquatic life use designated waters.

6. Revise and list approximately four stream segments as Class A2 secondary contact recreational use and Class B(WW-3) warm water—Type 3 aquatic life use designated waters.

7. Revise and list approximately five stream segments as Class A3 children's recreational use designated waters.

8. Revise and list approximately 16 stream segments as Class A3 children's recreational use and Class B(WW-2) warm water—Type 2 designated waters.

9. Revise and list approximately two streams to match the U.S. Geological Survey (USGS) title.

10. Revise and list approximately two streams that were adopted in previous EPC rule makings but which were omitted from the Surface Water Classification document.

11. Revise the legal descriptions of approximately 51 stream segments. These are not individually listed as designation changes, but the changes are shown in the Surface Water Classification document.

The Clean Water Act establishes a rebuttable presumption that all Iowa streams can achieve the highest level of use, referred to as fishable and swimmable uses. In 2006, the EPC adopted this presumption by rule for all of Iowa's previously undesignated perennial streams. As an outcome of these efforts, all 26,000 miles of Iowa's perennial (flowing year-round) streams were initially designated at the highest levels for recreation (A1) and warm water aquatic life uses (B(WW-1)). These actions provided initial protection for many miles of perennial streams that were previously not designated for aquatic life or recreational uses.

"Rebuttable presumption" is the concept that provides for the assigning of all perennial streams the highest use designation unless assessments show that a stream does not deserve that level of protection. Included in the federal regulations are the provisions that allow for scientific analysis of these "presumed" recreational and aquatic life uses. The process of assigning use designations is called use attainability analysis (UAA), which requires the gathering of site-specific field data on stream features and uses. The Department of Natural Resources (Department) is applying the UAA as a step-by-step process to gather site-specific field data on stream features and uses. The Department assesses available information to determine if the "presumed" recreational and aquatic life uses are appropriate.

Iowa Code section 455B.176A prohibits the Department from renewing a National Pollutant Discharge Elimination System (NPDES) permit for a facility discharging to a stream subject to the presumed protected uses of A1 and B(WW-1) until the Department conducts a UAA and redesignates the stream, if appropriate. Prior to issuing an NPDES permit for an affected facility, the Department must complete a UAA for the receiving stream or stream network. Below is a list of the proposed stream segment revisions completed as a result of either field assessments conducted from 2005 to 2012 or based on administrative changes. (Duplicate listings represent separate segments along the overall reach of the stream. For Chihaks Creek, the double listing represents two distinct revisions to the stream, one of which is an administrative name change only.) Specific locations of these stream segments can be found in the draft Surface Water Classification document and by using the GIS coverage at the following Web page: <http://www.iowadnr.gov/InsideDNR/RegulatoryWater/WaterQualityStandards/DesignatedUses/UseAssessments.aspx>.

In addition, each stream listed in the preamble of this Notice can be viewed in detail on the UAA database at the following link: <https://programs.iowadnr.gov/uaa/search.aspx>.

The proposed stream segment revisions are detailed below:

1. Class A1 Stream Segments

	Stream Name	UAA ID	Basin	Class A1 Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
1	Blue Creek (Benton/Linn Counties)	508	Iowa-Cedar	5.50	NA
2	Camp Creek (Calhoun County)	1416	Des Moines	8.3	NA

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

	Stream Name	UAA ID	Basin	Class A1 Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
3	Dye Creek (Story County)	1461	Skunk	1.0	NA
4	East Indian Creek (Story County)	1460	Skunk	8.2	NA
5	Price Creek (Iowa County)	NA	Iowa-Cedar	0.3	NA
6	South English River (Poweshiek/Mahaska/Keokuk/Washington Counties)	1453	Iowa-Cedar	10.6	NA
7	West Fork Camp Creek (Calhoun County)	1415	Des Moines	7.0	NA
8	White Fox Creek (Wright/Hamilton Counties)	1466	Des Moines	12.1	NA

2. Class A1, B(WW-1) Stream Segments

	Stream Name	UAA ID	Basin	Class A1 Stream Segment Length (miles)	B(WW-1) Aquatic Stream Segment Length (miles)
1	Saylor Creek (Polk County)	1466	Des Moines	<0.1	<0.1

3. Class A1, B(WW-2) Stream Segments

	Stream Name	UAA ID	Basin	Class A1 Stream Segment Length (miles)	B(WW-2) Aquatic Stream Segment Length (miles)
1	Cub Creek (Poweshiek County)	1427	Iowa-Cedar	<0.1	<0.1
2	Drainage Ditch 29 (Fonda, City of, STP) (Pocahontas County)	1419	Des Moines	0.5	0.5
3	Dry Run (O'Brien County)	1473	Western	8.8	8.8
4	East Branch Blue Creek (Linn County)	1499	Iowa-Cedar	4.0	4.0
5	Fox Creek (Dallas County)	1457	Des Moines	2.4	2.4
6	Unnamed Creek (Firestone Agricultural Tire Company) (Polk County)	1485	Des Moines	0.9	0.9
7	Unnamed Creek (Lanesboro, City of, STP) (Carroll County)	1413	Des Moines	0.1	0.1
8	Unnamed Creek (Pella Corp.) (Marion County)	1422	Des Moines	<0.1	<0.1

4. Class A2 Stream Segments

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
1	Chihaks Creek (Howard County)	NA	Northeastern	1.06	NA
2	Deep River (Poweshiek/Iowa Counties)	1429	Iowa-Cedar	7.5	NA

5. Class A2, B(WW-2) Stream Segments

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	B(WW-2) Aquatic Stream Segment Length (miles)
1	Brushy Creek (Carroll/Audubon/Guthrie Counties)	1071	Des Moines	4.04	4.04
2	Cub Creek (Poweshiek County)	1426	Iowa-Cedar	3.3	3.3
3	Drainage Ditch (Adair, City of, STP) (Adair County)	1495	Des Moines	0.2	0.2
4	Drainage Ditch 2 (I35-105 Interchange Commercial District) (Worth County)	1409	Iowa-Cedar	9.4	9.4
5	East Branch Blue Creek (Linn County)	1500	Iowa-Cedar	4.2	4.2
6	Granger Creek (Dubuque County)	1476	Northeastern	0.5	0.5
7	Little Creek (Iowa/Keokuk Counties)	1455	Iowa-Cedar	6.1	6.1
8	Middle English River (Iowa County)	1452	Iowa-Cedar	10.2	2.8
9	Painter Creek (Madison/Warren Counties)	1420	Des Moines	7.9	7.9
10	Soap Creek (Lee County)	949	Skunk	0.94	0.94
11	South English River (Poweshiek/Mahaska/Keokuk/Washington Counties)	1454	Iowa-Cedar	21.8	6.1
12	Spring Creek (Des Moines County)	NA	Iowa-Cedar	3.76	3.76
13	Unnamed Creek (Country Living Court, LLC) (Story County)	1462	Skunk	0.2	0.2
14	Unnamed Creek (Deep River, City of, WWTP) (Poweshiek County)	1428	Iowa-Cedar	1.5	1.5
15	Unnamed Creek (Earling, City of, STP) (Shelby County)	1498	Western	<0.1	<0.1
16	Unnamed Creek (East Iowa Bible Camp) (Iowa County)	1450	Iowa-Cedar	2.9	2.9
17	Unnamed Creek (Fonda, City of, WWTP) (Pocahontas County)	1417	Des Moines	0.2	0.2
18	Unnamed Creek (Kwik Star #303) (Poweshiek County)	1425	Iowa-Cedar	1.9	1.9
19	Unnamed Creek (Lanesboro, City of, STP) (Carroll County)	1414	Des Moines	1.2	1.2
20	Unnamed Creek (Pella Corp.) (Marion County)	1421	Des Moines	0.5	0.5
21	Unnamed Creek (Primghar, City of, STP) (O'Brien County)	1472	Western	<0.1	<0.1
22	Unnamed Creek (Webster City, City of, WWTP)	1501	Des Moines	<0.1	<0.1
23	Unnamed Creek (Wendling Quarries – Robins Facility) (Linn County)	1479	Iowa-Cedar	0.3	0.3
24	Unnamed Creek #1 (Des Moines International Airport Outfall #2) (Polk County)	1490	Des Moines	0.8	0.8
25	Unnamed Creek #1 (New Albin, City of, STP) (Allamakee County)	979	Northeastern	0.47	0.47
26	Unnamed Creek #2 (Adair, City of, STP) (Guthrie County)	1496	Des Moines	1.4	1.4

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	B(WW-2) Aquatic Stream Segment Length (miles)
27	Unnamed Creek #2 (Atkins, City of, WTF) (Benton County)	1502	Iowa-Cedar	1.2	1.2
28	Unnamed Creek #2 (Des Moines International Airport Outfall #2) (Polk County)	1491	Des Moines	0.2	0.2
29	Unnamed Creek #2 (John Deere Engine Works) (Black Hawk County)	1481	Iowa-Cedar	<0.1	<0.1
30	Unnamed Creek #2 (Neal Smith National Wildlife Refuge) (Jasper County)	1516	Des Moines	2.0	2.0
31	Unnamed Creek #3 (Adair, City of, STP) (Adair/Guthrie Counties)	1497	Des Moines	1.9	1.9
32	Unnamed Creek #3 (Macksburg, City of, STP) (Madison County)	1489	Southern	0.3	0.3
33	Unnamed Creek #4 (Des Moines International Airport Outfall #2) (Polk County)	1493	Des Moines	<0.1	<0.1
34	West Fork Big Creek (Ringgold County)	1471	Southern	10.2	10.2
35	West Jackson Creek (Wayne County)	1487	Southern	2.5	2.5
36	White Fox Creek (Wright/Hamilton Counties)	1467	Des Moines	15.8	15.8

6. Class A2, B(WW-3) Stream Segments

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	B(WW-3) Aquatic Stream Segment Length (miles)
1	Rock Creek (Jefferson/Wapello Counties)	NA	Skunk	12.01	8.48
2	Unnamed Creek (Iowa DOT – 21, 22 & I-80 Rest Stop) (Dallas County)	1456	Des Moines	0.4	0.4
3	Unnamed Creek (New Hartford, City of, WWTP) (Butler County)	1470	Iowa-Cedar	0.1	0.1
4	Unnamed Creek #1 (West Point, City of, STP) (Lee County)	1284	Skunk	0.88	0.88

7. Class A3 Stream Segments

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
1	Buttermilk Creek (Wright County)	1465	Des Moines	0.5	NA
2	Dry Creek (Linn County)	1480	Iowa-Cedar	8.2	NA
3	West Branch Floyd River (Plymouth/Sioux Counties)	1401	Western	4.41	NA
4	West Branch Floyd River (Plymouth/Sioux Counties)	1403	Western	3.37	NA
5	West Branch Floyd River (Plymouth/Sioux Counties)	1405	Western	2.74	NA

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8. Class A3, B(WW-2) Stream Segments

	Stream Name	UAA ID	Basin	Class A2 Stream Segment Length (miles)	B(WW-2) Aquatic Stream Segment Length (miles)
1	Blackhawk Creek (Scott County)	833	Northeastern	5.45	5.45
2	Coon Creek (Tama County)	1468	Iowa-Cedar	0.5	0.5
3	Gypsum Creek (Webster County)	1463	Des Moines	1.3	1.3
4	Soap Creek (Lee County)	948	Skunk	2.84	2.84
5	Unnamed Creek (aka, 7th Ward Ditch) (Polk County)	152	Des Moines	5.2	5.2
6	Unnamed Creek (Clow Valve) (Mahaska County)	1424	Skunk	1.0	1.0
7	Unnamed Creek (Corn LP) (Wright County)	1464	Des Moines	0.3	0.3
8	Unnamed Creek (Des Moines International Airport Outfall #3) (Polk County)	1459	Des Moines	1.0	1.0
9	Unnamed Creek (Nevada, City of, WWTP) (Story County)	1412	Skunk	0.03	0.03
10	Unnamed Creek (Pella Corp.) (Marion County)	1423	Des Moines	0.3	0.3
11	Unnamed Creek (Tama Paperboard) (Tama County)	1474	Iowa-Cedar	0.7	0.7
12	Unnamed Creek (University of Northern Iowa) (Black Hawk County)	1469	Iowa-Cedar	0.2	0.2
13	Unnamed Creek #2 (Atkins, City of, WTF) (Benton County)	1503	Iowa-Cedar	0.3	0.3
14	Unnamed Creek #3 (John Deere Engine Works) (Black Hawk County)	1482	Iowa-Cedar	1.2	1.2
15	Unnamed Creek #4 (John Deere Engine Works) (Black Hawk County)	1484	Iowa-Cedar	0.5	0.5
16	Yeader Creek (Polk County)	1458	Des Moines	0.5	0.5

9. Administrative Name Changes

	Stream Name	UAA ID	Basin	Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
1	Chialk Creek to Chihaks Creek (Howard County)	1268	Northeastern	NA	NA
2	West Indian Creek (Story County)	1002	Skunk	NA	NA

10. Omitted Stream Segments*

	Stream Name	UAA ID	Basin	Stream Segment Length (miles)	Aquatic Stream Segment Length (miles)
1	Middle Branch Boone River (Wright/Hancock Counties)	NA	Des Moines	11.50	4.0
2	Unnamed Creek #1 (Calmar, City of, STP) (Winneshek County)	NA	Northeastern	1.40	1.40

*Stream segments that were previously approved by EPC but omitted from the Surface Water Classification document.

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Any person may submit written suggestions or comments on the proposed amendment through March 27, 2015. If a comment is intended to describe recreational activities occurring on specific stream segments, the comment must specify: (1) the type of water recreational activity(ies) (e.g., canoeing, children's play, minnow seining, etc.); (2) where the activity(ies) took place (e.g., bridge crossing, park, etc.) using section/township/range, latitude/longitude, address, or map; and (3) the time period and frequency of the activity(ies) (e.g., once a month in the summer). Such written material should be submitted to Matthew Dvorak, Iowa Department of Natural Resources, Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa 50319; fax (515)725-8202; or e-mail matthew.dvorak@dnr.iowa.gov. Persons who have questions may contact Matthew Dvorak at (515)725-8397.

Persons are invited to present oral or written comments at a series of public hearings, which will be held throughout the state as follows:

March 10, 2015	9 a.m.	Atlantic Municipal Utilities Conference Room 15 W. 3rd Street Atlantic
March 10, 2015	2:30 p.m.	West Des Moines Public Library 4000 Mills Civic Parkway West Des Moines
March 17, 2015	9:30 a.m.	Falcon Civic Center 1305 5th Avenue NE Independence
March 17, 2015	3 p.m.	Washington Public Library 115 West Washington Street Washington
March 24, 2015	10 a.m.	Clear Lake Community Meeting Room 15 N. 6th Street Clear Lake
March 24, 2015	3:30 p.m.	Spencer Public Library 21 E. 3rd Street Spencer

Any person who plans to attend a public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

A jobs impact statement (JIS) has been prepared for this Notice and is available upon request. The Department believes the rule making will not impact jobs since adoption of this amendment does not add to the burden or cost established by the 2006 rule making. Wastewater treatment facilities in Iowa, particularly local government-owned wastewater facilities, have been significantly impacted by the 2006 water quality standard revisions. Adoption of the proposed amendment will not add to the burden or cost established by the 2006 rule making but does allow for the implementation of those prior requirements. Based upon the number of facilities impacted by this amendment, it is estimated that between \$46 million and \$64 million will be spent on facility upgrades. These upgrades will be implemented upon approval of the renewed NPDES permit for the facility. These figures may change based upon other factors, including inflation and varying construction costs.

It is important to understand that by revising the stream designations to reflect the appropriate uses, rather than the presumed uses, the proposed amendment will not increase the potential compliance costs for any necessary facility upgrades in any way. When compared to the costs of implementation of the presumed uses, the cost of implementing the revised designations will always be the same or less.

Additional information on Iowa's water quality standards, including the JIS and detailed maps of the stream assessments, can be found on the Department's Web site at <http://www.iowadnr.gov/InsideDNR/RegulatoryWater/WaterQualityStandards/DesignatedUses/UseAssessments.aspx>.

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This amendment is intended to implement Iowa Code chapter 455B, division III, part 1.
The following amendment is proposed.

Amend subrule 61.3(5) as follows:

61.3(5) *Surface water classification.* The department hereby incorporates by reference “Surface Water Classification,” effective ~~December 22, 2010~~ [insert the effective date of this amendment]. This document may be obtained on the department’s Web site at <http://www.iowadnr.com/water/standards/index.html> <http://www.iowadnr.gov/InsideDNR/RegulatoryWater/WaterQualityStandards/Rules.aspx>.

ARC 1873C**ENVIRONMENTAL PROTECTION COMMISSION[567]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 455B.103A and 455B.105(3), the Environmental Protection Commission (Commission) hereby gives Notice of Intended Action to amend Chapter 64, “Wastewater Construction and Operation Permits,” Iowa Administrative Code.

The proposed amendment to Chapter 64 will revise General Permit No. 2, which authorizes the discharge of stormwater from construction sites. Substantive changes in General Permit No. 2 are required to implement the federal effluent guidelines for construction and development point sources. These guidelines are found at 40 CFR 450.21. Most of the measures in the federal effluent guidelines are already included in General Permit No. 2. The changes being proposed in General Permit No. 2 involve topsoil preservation at construction sites. The Code of Federal Regulations requires permittees to minimize soil compaction and, unless infeasible, preserve topsoil. Currently, the Commission defines this requirement as the preservation of at least 4 inches of topsoil at construction sites when this is consistent with land use practices and if at least 4 inches of topsoil existed on the site prior to construction.

The following revisions to General Permit No. 2 are proposed:

Part IV.D.2.A.(2).(c) of the stormwater General Permit No. 2 is revised as follows:

A.(2).(c). Unless infeasible, the following measures shall be implemented at all sites: utilize outlet structures that withdraw water from the surface when discharging from basins, provide and maintain natural buffers around surface waters, and direct storm water to vegetated areas to both increase sediment removal and maximize storm water infiltration and minimize soil compaction. Topsoil shall be preserved at all construction sites unless land use precludes the practice. The requirement to preserve topsoil shall be met only when the depth of topsoil after soil disturbing activities have been completed and final stabilization achieved for the permitted activity is equal to, or greater than, 4.0 inches, including soil contained in sod, on all areas of the site where the surface of the ground disturbed for the permitted construction activities is exposed and not covered by concrete, asphalt, gravel or other such material and where 4.0 inches or more of topsoil existed prior to the commencement of soil disturbing activities that are permitted under the current permit authorization for the site. On areas where less than 4.0 inches of topsoil existed prior to the commencement of soil disturbing activities that are permitted under the current permit authorization for the site, the minimum depth of topsoil after soil disturbing activities have been completed and final stabilization achieved for the permitted activity shall be equal to, or greater than, the depth of topsoil that existed prior to the commencement of soil disturbing activities that are permitted under the current permit authorization for the site. The final topsoil depth is to

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~~be measured after the soil has been compacted in a fashion generally considered adequate for an established lawn and so that the expected settling that will occur after measurement will be minimal and shall include the soil contained in any sod that has been placed on the site. The type of topsoil at the site after soil disturbing activities have been completed and final stabilization achieved for the permitted activity shall be similar to that which exists or existed in the general area of the site. The permittee(s) shall minimize soil compaction and, unless infeasible, preserve topsoil. "Infeasible" shall mean not technologically possible, or not economically practicable and achievable in light of the best industry practices. "Unless infeasible, preserve topsoil" shall mean that, unless infeasible, topsoil from any areas of the site where the surface of the ground for the permitted construction activities is disturbed shall remain within the area covered by the applicable General Permit No. 2. Minimizing soil compaction is not required where the intended function of a specific area of the site dictates that it be compacted. Preserving topsoil is not required where the intended function of a specific area of the site dictates that the topsoil be disturbed or removed. The permittee(s) shall control stormwater volume and velocity to minimize soil erosion in order to minimize pollutant discharges and shall control stormwater discharges, including both peak flowrates and total stormwater volume, to minimize channel and streambank erosion and scour in the immediate vicinity of discharge points. An affidavit signed by the permittee(s) may be submitted to demonstrate compliance.~~

For construction activity which is part of a larger common plan of development, such as a housing or commercial development project, in which a new owner agrees in writing to be solely responsible for compliance with the provisions of this permit for the property which has been transferred or in which the new owner has obtained authorization under this permit for a lot or lots (as specified in subrule 567-64.6(6) of the Iowa Administrative Code), the topsoil preservation requirements described above must be met no later than at the time the lot or lots have reached final stabilization as described in this permit.

~~For sites where less than 4.0 inches of topsoil is to be in place after soil disturbing activities have been completed and final stabilization achieved for the permitted activity, a soil survey conducted by properly qualified personnel who regularly conduct soil surveys as part of their normal job duties must be conducted prior to commencement of soil disturbing activities that are permitted under the current permit authorization for the site. The results of the soil survey shall become part of the Pollution Prevention Plan and shall indicate the depth of topsoil at a suitable number of points on the site commensurate with standard engineering practices established for the size of the site.~~

The topsoil preservation requirement described above shall be implemented for projects that have not received an authorization under this permit prior to October 1, 2012. The topsoil preservation requirements are not required to be implemented for projects that have been authorized prior to October 1, 2012. In residential and commercial developments, a plat is considered a project. For other large areas that have been authorized for multiple construction sites, including those to be started at a future date, such as those located at industrial facilities, military installations and universities, a new construction project not yet surveyed and platted out is considered a project. This stipulation is intended to be interpreted as requiring the topsoil preservation requirements on development plats and construction activities on other extended areas that may have several construction projects permitted under the same authorization to be implemented on those projects not yet surveyed and platted out prior to October 1, 2012 even if other plats and construction activities in the same development or other extended area were authorized prior to October 1, 2012.

It is not the intent of the Commission that the textual changes in General Permit No. 2 be adopted in the Iowa Administrative Code but that these changes be made in the general permit itself, which is adopted by reference into the Iowa Administrative Code.

Copies of the proposed revised General Permit No. 2 are available upon request from the Department at the address or telephone number below.

Any interested party may make written comments on the proposed amendment on or before April 1, 2015. Written comments should be directed to the Storm Water Coordinator, Iowa Department of

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Natural Resources, 502 East 9th Street, Des Moines, Iowa 50319; fax (515)725-8202. Persons who wish to convey their views orally should contact the Storm Water Coordinator at (515)725-8417 or at the Department's offices on the fifth floor of the Wallace State Office Building, Des Moines, Iowa.

Public hearings will be held as follows:

March 18, 2015	6 p.m.	City Services Center Five Seasons Conference Room 500 15th Avenue SW Cedar Rapids
March 25, 2015	6 p.m.	Eastern Avenue Branch Library Room A 6000 Eastern Avenue Davenport
March 27, 2015	1 p.m.	Auditorium Wallace State Office Building 502 East 9th Street Des Moines

After analysis and review of this rule making, a positive impact on jobs could exist. At the time the 4-inch topsoil preservation requirement was adopted, it was generally believed by the Commission and stakeholders that the fiscal impact of the requirement would be minimal and would not significantly impact developers, builders, or home buyers. In early 2014, various members of the development community requested that the language of General Permit No. 2 be changed to mirror the federal standard of preserving topsoil, unless infeasible. These stakeholders reported that actual costs of implementation of the 4-inch topsoil preservation requirement were significantly higher than anticipated, including costs associated with having to verify the requirement was uniformly met throughout the construction site. Cost impact estimates have been reported to vary from several hundred dollars per lot to several thousand dollars per lot. This economic concern led to the formation of an Executive Order (EO) 80 stakeholder group, which convened meetings and obtained public input in 2014. The EO 80 stakeholder group recommended to the Commission that the topsoil preservation requirement in General Permit No. 2 be changed to more closely align with the federal language, with some additional verbiage added. The EO 80 stakeholder group indicated that the proposed revisions will result in a net reduction in costs to residential developers and home builders, which would lead to lower prices for home purchasers. On September 16, 2014, the Commission directed the Department of Natural Resources (Department) to initiate rule making to adopt the EO 80 stakeholder group recommendation for General Permit No. 2, with further, minor changes recommended by the Commission.

This amendment is intended to implement Iowa Code chapter 455B, division I.

The following amendment is proposed.

Amend subrule 64.15(2) as follows:

64.15(2) Storm Water Discharge Associated with Industrial Activity for Construction Activities, NPDES General Permit No. 2, effective October 1, 2012, to October 1, 2017, as amended on ~~March 26, 2014~~ July 15, 2015.

ARC 1885C**TRANSPORTATION DEPARTMENT[761]****Notice of Intended Action**

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 307.10, 307.12 and 321.252, the Iowa Department of Transportation hereby gives Notice of Intended Action to amend Chapter 130, "Signing Manual," and Chapter 131, "Signing on Primary Roads," Iowa Administrative Code.

The proposed amendments to Chapter 130 adopt the latest version of the Manual on Uniform Traffic Control Devices (MUTCD) and strike subrules that are no longer needed. The proposed amendments will retain the current exception to the 2009 MUTCD to allow the use of portable or part-time stop signs for school zones.

On May 14, 2012, the Federal Highway Administration adopted the 2009 MUTCD incorporating Revisions 1 and 2 as the national standard for traffic control devices. Revision 1 to the 2009 MUTCD restored language from the 2003 MUTCD which addressed the use of engineering judgment in the deviation from a standard. Revision 2 to the 2009 MUTCD eliminated the compliance dates for 46 items and extended or revised the dates for 4 items. The target compliance dates for 8 items that are deemed to be of critical safety importance will remain in effect. In addition, the revision added a new option statement in the manual that exempts existing historic street name signs within locally identified historic districts from the standards and guidance of Section 2D.43 regarding street sign color, letter size, and other design features, including retroreflectivity. The Federal Register notice dated May 14, 2012, may be reviewed on the MUTCD Web site at <http://mutcd.fhwa.dot.gov/res-notices.htm>.

Adoption and distribution of the new 2009 MUTCD with Revisions 1 and 2 will allow and, in fact, require the use of the most up-to-date standards for traffic control devices by cities, counties and the state.

Iowa Code section 321.249 requires that "[a]ll traffic-control devices provided for school zones shall conform to specifications included in the manual of traffic-control devices adopted by the department, except the provision prohibiting the use of portable or part-time stop signs." For clarity and compliance with Iowa Code section 321.249, subrule 130.1(1) includes this exception in the rule.

The proposed amendments to Chapter 131 allow for bridges on the primary highway to be named, clarify the criteria for naming routes, and add criteria for the naming of bridges. A provision is added to exclude the interstate highway system from being named as it is federally named for Dwight D. Eisenhower. The current rule requires the applicant to furnish the signs, and the Department is responsible for the post, hardware and installation of the signs. With the increasing number of requests and to be consistent with other applicant-furnished signs, the Department is proposing to modify the rule to require the applicant to be responsible for all costs associated with the signs.

Changes are also proposed in the size of the signs; they will be sized according to the proposed name and the letter size needed for the type of road or bridge along which the sign is installed.

Paragraph 131.6(1)"c" is proposed to be stricken since the Department's current practice is to sign for regularly scheduled activities, such as the state fair, an area fair, a county fair, 4-H exhibits, rodeos or auto races, when the other special event criteria are met. Other proposed changes to Chapter 131 are technical and made for consistency and clarity throughout the chapter and to update the name of Form 810013.

These rules do not provide for waivers. Any person who believes that the circumstances meet the statutory criteria for a waiver may petition the Department for a waiver under 761—Chapter 11.

Any person or agency may submit written comments concerning these proposed amendments or may submit a written request to make an oral presentation. The comments or request shall:

1. Include the name, address, and telephone number of the person or agency authoring the comments or request.

TRANSPORTATION DEPARTMENT[761](cont'd)

2. Reference the number and title of the proposed rule, as given in this Notice, that is the subject of the comments or request.

3. Indicate the general content of a requested oral presentation.

4. Be addressed to Tracy George, Rules Administrator, Iowa Department of Transportation, Office of Policy and Legislative Services, 800 Lincoln Way, Ames, Iowa 50010; Internet e-mail address: tracy.george@dot.iowa.gov.

5. Be received by the Office of Policy and Legislative Services no later than March 10, 2015.

A meeting to hear requested oral presentations is scheduled for Tuesday, March 17, 2015, at 9 a.m. at the Administration Building, First Floor South Conference Room, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa.

The meeting will be canceled without further notice if no oral presentation is requested.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 321.249, 321.252 and 321.253.

The following amendments are proposed.

ITEM 1. Amend rule 761—130.1(321) as follows:

761—130.1(321) Manual. The “Manual on Uniform Traffic Control Devices” (MUTCD), 2009 Edition with Revision Numbers 1 and 2, dated ~~December 2009~~ May 2012, published by the U.S. Department of Transportation, Federal Highway Administration, shall constitute the manual and specifications for a uniform system of traffic control devices for use upon the highways of this state.

130.1(1) The department makes the following exception to the MUTCD for school zones: In Part 2, Section 2B.04, paragraph 12, of the MUTCD, Right-of-Way at Intersections, Standard, in lieu of the sentence “Portable or part-time STOP or YIELD signs shall not be used except for emergency and temporary traffic control zone purposes,” the department adopts the following: “Portable or part-time STOP signs may be used only in the following situations:

“1. When necessary for emergency and temporary traffic control zone purposes, or

“2. In school zones at appropriate school crosswalks.”

~~**130.1(2)** The department makes the following exception to the MUTCD, Section 1A.09, Engineering Study and Engineering Judgment: Add the following paragraphs to the Guidance section prior to paragraph 03:~~

~~“The decision to use a particular device at a particular location should be made on the basis of either an engineering study or the application of engineering judgment. While the MUTCD provides standards, guidance, and options for design and application of traffic control devices, the MUTCD should not be considered a substitute for engineering judgment.~~

~~“Engineering judgment should be exercised in the selection and application of traffic control devices, as well as in the location and design of the roads and streets that the devices complement.”~~

~~**130.1(3)** The department makes the following exception to the MUTCD, Section 1A.13, Definitions of Headings, Words, and Phrases in this Manual, paragraph 01, definition of “Standard,” to read as shown:~~

~~“A. Standard—a statement of required, mandatory, or specifically prohibitive practice regarding a traffic control device. All Standard statements are labeled, and the text appears in bold type. The verb ‘shall’ is typically used. The verbs ‘should’ and ‘may’ are not used in Standard statements. Standard statements are sometimes modified by Options.”~~

~~**130.1(4)** **130.1(2)** Copies of the MUTCD are available for examination at the Office of Traffic and Safety, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010. The MUTCD is also available on the Internet at <http://mutcd.fhwa.dot.gov>.~~

This rule is intended to implement Iowa Code sections 321.249 and 321.252.

ITEM 2. Amend **761—Chapter 131**, title, as follows:

SIGNING ON PRIMARY ROADS HIGHWAYS

ITEM 3. Amend paragraph **131.1(1)“e”** as follows:

e. The department shall determine which primary ~~road~~ highway destinations qualify for signing.

TRANSPORTATION DEPARTMENT[761](cont'd)

ITEM 4. Amend paragraph **131.1(2)“d”** as follows:

d. The department shall install and maintain the primary ~~road~~ highway destination signs. The department shall also furnish primary route markers and auxiliary signs for installation on the secondary road and install secondary road route markers and auxiliary signs furnished by the county on the primary ~~route~~ highway.

ITEM 5. Amend paragraph **131.4(3)“b”** as follows:

b. The appropriate district office shall forward Form 810013, “Application ~~and Agreement~~ for ~~Installation of Camping Service Signs on Sign, Interstate Highways,~~” to the requesting camp owner.

ITEM 6. Amend paragraph **131.4(3)“e”** as follows:

e. When the appropriate district office has verified through inspection that the requirements are satisfied, the ~~engineer~~ district traffic technician shall complete and sign Form 810013, signifying approval of the application. A copy of the approved application shall be promptly forwarded to the applicant.

ITEM 7. Rescind paragraph **131.6(1)“c.”**

ITEM 8. Amend rule 761—131.10(321), introductory paragraph, as follows:

761—131.10(321) Signing for named routes and memorial bridges. This rule establishes the requirements and procedures for placing special signs along the primary ~~road system~~ highway for the purpose of designating a primary highway as a memorial highway, a bridge on the primary highway as a memorial bridge, a historic trail or scenic trail.

ITEM 9. Adopt the following **new** definition of “Memorial bridge” in subrule **131.10(1)**:

“*Memorial bridge*” means a bridge on the primary highway that has been given a name to commemorate a person, group, place or event of regional or national significance.

ITEM 10. Amend subrule 131.10(2) as follows:

131.10(2) General requirements.

a. Interstate highways have been designated as the “Dwight D. Eisenhower National System of Interstate and Defense Highways” and are not eligible for naming under these rules. However, bridges on interstate highways may be named.

~~*b.*~~ *b.* The named route shall be continuous with no breaks at the boundaries of political subdivisions. Each city and county through which a named route passes must ~~approve~~ provide the department a resolution in support of the route designation. This includes portions of the route off the primary ~~road~~ highway system. The memorial bridge shall be located on the primary highway, and the city and county in which the bridge is located must provide a resolution to the department in support of the bridge designation.

~~*c.*~~ *c.* A memorial highway should normally encompass the entire length of a primary ~~route~~ highway within the state. However, it is permissible to name a section of a primary ~~route~~ highway if the section is unique or independent by virtue of its design characteristics, such as a freeway, or its geographic location, such as a segment between two junctions. No more than one name shall be used for a bridge or for the same section of a route.

~~*d.*~~ *d.* Signs designating a named route or memorial bridge shall be furnished and paid for by the applicant including any replacements needed due to sign deterioration or damage. Failure to comply with this requirement may result in removal of all signs for the named route or memorial bridge along the primary ~~road system~~ highway. The applicant is responsible for providing the department with the applicant’s current contact information. If the department is unable to make contact with the applicant when replacement signs are needed, it may be necessary to remove all signs for the named route or memorial bridge along the primary highway.

e. The applicant shall be responsible for the costs to install the signs, including the posts and hardware.

~~*f.*~~ *f.* A named route or memorial bridge shall not be given a name which could be considered discriminatory, biased or inappropriate.

TRANSPORTATION DEPARTMENT[761](cont'd)

ITEM 11. Amend subrule 131.10(3) as follows:

131.10(3) Memorial highway or bridge signing. Signing for memorial highways or bridges shall comply with ~~Section 2D-48~~ of the MUTCD as modified by the following:

a. Memorial highway or bridge signing off the primary highway right-of-way:

(1) Preferably, signing for a memorial highway or bridge should neither appear on or along the ~~route~~ primary highway nor be placed on bridges or other highway components. Signing is best accomplished by placing memorial plaques in rest areas, scenic overlooks or other appropriate locations off the right-of-way where parking is provided. These plaques shall be located in a manner that will not distract motor vehicle operators.

(2) Departmental approval is not needed for memorial highway or bridge signing placed off the right-of-way at locations not subject to control under Iowa Code chapter 306B or chapter 306C, division II.

b. Memorial highway or bridge signing within the primary highway right-of-way:

(1) If placement of memorial plaques off the right-of-way is not acceptable, the department may approve the installation of memorial highway or bridge signs within the right-of-way provided they are independent of other guide and directional signing and they do not adversely compromise the safety or efficiency of traffic flow.

(2) A As determined by the department, a memorial highway or bridge sign within the right-of-way shall be no larger than 24 inches in width and 30 inches in height sized based on the size of lettering required for the traffic speed and type of highway being named. The color will be white lettering on brown background, and the design must be approved by the department. If the applicant prefers the sign include a design symbolic of the group or event, instead of the name, then the sign is limited in size to no larger than 24 inches in width and 30 inches in height. The color and design must be approved by the department.

(3) The number of memorial highway signs within the right-of-way shall be limited to one sign at each end of the memorial highway and one sign when entering the corporate limits of each city through which the memorial highway passes. The number of memorial bridge signs will be limited to one sign for each direction of traffic.

ITEM 12. Amend subrule 131.10(4), introductory paragraph, as follows:

131.10(4) Historic trail and scenic trail signing. The department may approve the installation of historic trail and scenic trail signing within the primary highway right-of-way. Signing for historic trails and scenic trails shall comply with ~~Section 2D-49~~ of the MUTCD and the following:

ITEM 13. Amend subrule 131.10(5) as follows:

131.10(5) Procedures.

a. To request placement of signs designating a primary highway or bridge as a named route or memorial bridge, the applicant shall submit a formal written request to the appropriate district office.

b. The request shall contain the following:

(1) A detailed description of the proposed named route or memorial bridge, including those portions of the route off the primary road system.

(2) If the request is for a memorial highway or bridge, documentation supporting the significance of the person, group, place or event for which the memorial highway or bridge is named. Any person being honored must have provided extraordinary public service or some exemplary contribution to the public good or outstanding service to the nation, this state or the person's community and have a connection to the community where the highway or bridge is located. The person being honored must be deceased for one year.

(3) to (6) No change.

(7) A signed ordinance or resolution from each city and county through which the named route passes or where the bridge is located, indicating approval support of the route designation.

c. No change.

d. The department shall install approved signs provided by the applicant (see paragraph ~~131.10(2) "e"~~ 131.10(2) "d") and provide routine maintenance when the signs are to be located within

TRANSPORTATION DEPARTMENT[761](cont'd)

the primary highway right-of-way. The applicant shall be responsible for the installation costs for each of the signs.

e. The department is not responsible for the installation or maintenance of signs placed off the right-of-way or placed on the city or county highways.

TREASURER OF STATE

Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the committee composed of Treasurer of State Michael L. Fitzgerald, Superintendent of Credit Unions JoAnn Johnson, Superintendent of Banking James M. Schipper, and Auditor of State Mary Mosiman have established today the following rates of interest for public obligations and special assessments. The usury rate for February is 4.25%.

INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.2 Unpaid Warrants	Maximum 6.0%
74A.4 Special Assessments	Maximum 9.0%

RECOMMENDED Rates for Public Obligations (74A.3) and School District Warrants (74A.7). A rate equal to 75% of the Federal Reserve monthly published indices for U.S. Government securities of comparable maturities. All Financial Institutions as defined by Iowa Code section 12C.1 are eligible for public fund deposits as defined by Iowa Code section 12C.6A.

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

New official state interest rates, effective February 10, 2015, setting the minimums that may be paid by Iowa depositories on public funds are listed below.

TIME DEPOSITS

7-31 days	Minimum .05%
32-89 days	Minimum .05%
90-179 days	Minimum .05%
180-364 days	Minimum .05%
One year to 397 days	Minimum .05%
More than 397 days	Minimum .10%

These are minimum rates only. All time deposits are four-tenths of a percent below average rates. Public body treasurers and their depositories may negotiate a higher rate according to money market rates and conditions.

Inquiries may be sent to Michael L. Fitzgerald, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

ARC 1869C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby adopts amendments to Chapter 6, “Public Records and Fair Information Practices,” and Chapter 7, “Uniform Rules for Waivers,” Iowa Administrative Code.

The rules in Chapter 6 describe the Commission’s procedures for providing public records and describe fair information practices. These amendments update the Commission’s address as identified by a regular review of the administrative rules and identify the availability of records to the public.

The rules in Chapter 7 describe the Commission’s uniform rules for waivers. These amendments update the Commission’s address as identified by a regular review of the administrative rules.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 29, 2014, as **ARC 1689C**. These amendments are identical to those published under Notice of Intended Action.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

These amendments are intended to implement Iowa Code chapter 261.

These amendments will become effective March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule 6.3(1) as follows:

6.3(1) Location of record. A request for access to a record should be directed to the Executive Director, Iowa College Student Aid Commission, ~~200 Tenth Street, Fourth Floor~~ 430 East Grand Avenue, Third Floor, Des Moines, Iowa ~~50309-3609~~ 50309-1920. If a request for access to a record is misdirected, commission personnel will promptly forward the request to the appropriate person.

ITEM 2. Amend rule 283—6.12(17A,22) as follows:

283—6.12(17A,22) Availability of records. This rule lists the commission records which are open to the public, those which are confidential, and those which are partially open and partially confidential.

Commission records are listed by category, according to the legal basis for confidential treatment (if any). The commission administers federally funded programs, as well as state programs, and is authorized by Iowa Code section 22.9 to enforce confidentiality standards for federal law and regulations as are required for receipt of the funds. A single record may contain information from several categories.

The chart indicates whether the record contains personally identifiable information, and indicates the legal authority for confidentiality and for the collection of personally identifiable information.

Abbreviations are used in the chart as follows:

Code	Meaning	Code	Meaning
O	The records are open for public inspection.	O/C	The record is partially open and partially confidential.
C	The records are confidential and are not open to public inspection.	O/E	The record is partially open to the public and partially exempt from disclosure.
E	The record is exempt from mandatory disclosure to members of the public.	PI	Personally identifiable information.
		<u>O/E/C</u>	<u>The record is partially open to the public, partially exempt from disclosure, and partially confidential and not open to the public.</u>
<u>E/C</u>	<u>The record is exempt from mandatory disclosure to the public and is confidential and not open to public inspection.</u>	NA	Not applicable.

COLLEGE STUDENT AID COMMISSION[283](cont'd)

DESCRIPTION OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY FOR CONFIDENTIALITY	PERSONALLY IDENTIFIABLE INFORMATION	LEGAL AUTHORITY FOR PI INFORMATION
Records of Commission, Advisory Council, and Committees	O/E	Iowa Code 21.5	No	NA
Rule Making	O	NA	No	NA
Declaratory Ruling Records	O/C	Iowa Code 22.7	No	NA
Rules and Policy Manuals	O	NA	No	NA
General Correspondence	O/E/C	Iowa Code 22.7	Yes	NA
Publications <ul style="list-style-type: none"> • General • GSL • Scholarship 	O	NA	No	NA
Statistical Reports	O	NA	No	NA
Staff Reports	O	NA	No	NA
Financial & Administrative Records	O/E/C	Iowa Code 22.7	Yes	NA
Registration and Approval Records	O	NA	No	NA
Contracts and Interagency Agreements	O/C	Iowa Code 22.7(3)	No	NA
Sealed Bids Prior to Public Opening	C	Iowa Code 22.3, and 22.7 and 72.3	No	NA
Appeal Records	O/C	Iowa Code 22.7	Yes	NA
Litigation Files	O/E/C	Iowa Code 22.7	Yes	NA
Privileged Communication and Products of Attorneys Representing the Commission	E/C	Iowa Code 22.7, Iowa Code of Professional Responsibility for Lawyers, Canon 4	No	NA
Individual Applicant/Recipient Records (such as those collected under the Iowa Tuition Grant and Iowa Vocational-Technical Tuition Grant Programs)	C	Iowa Code 22.7	Yes	P.L. 89-329
•Guaranteed Student Loans (GSL)	C	Iowa Code 22.7	Yes	P.L. 89-329
•Parents Loans for Students (PLUS)	C	Iowa Code 22.7	Yes	Sec. 428[b-c]
•Supplementary Loans to Students	C	Iowa Code 22.7	Yes	Sec. 488[e]
•Iowa Tuition Grants	C	Iowa Code 22.7	Yes	Iowa Code 261.10
•State of Iowa Scholarship	C	Iowa Code 22.7	Yes	Iowa Code 261.2(4)
•Iowa Vocational-Technical Tuition Grant	C	Iowa Code 22.7	Yes	Iowa Code 261.17
•Paul Douglas Scholarship	C	Iowa Code 22.7	Yes	34 CFR Part 653.31
•Teacher Shortage Forgivable Loan	C	Iowa Code 22.7	Yes	Iowa Code 261.111
•Iowa Grant	C	Iowa Code 22.7	Yes	Iowa Code 261.97
•Osteopathic Physician Recruitment	C	Iowa Code 22.7	Yes	Iowa Code 261.19
•Accelerated Career Education Grant	C	Iowa Code 22.7	Yes	Iowa Code 261.22
•Iowa National Guard Educational Assistance	C	Iowa Code 22.7	Yes	Iowa Code 261.86
•Chiropractic Graduate Student Forgivable Loan	C	Iowa Code 22.7	Yes	Iowa Code 261.71
•Gov. Terry E. Branstad Iowa State Fair Scholarship	C	Iowa Code 22.7	Yes	Iowa Code 261.24
•Claims	C	Iowa Code 22.7	Yes	P.L. 89-329
• Collections	C	Iowa Code 22.7	Yes	Sec. 428[b-c] and Sec. 488[c]
State and Federal Program Records (such as those maintained under the Iowa Tuition Grant Program and the John R. Justice Student Loan Repayment Program)	O	NA	No	NA
•Iowa Work Study	O	NA	No	NA
•Iowa Tuition Grant	O	NA	No	NA
•State of Iowa Scholarship	O	NA	No	NA
•Iowa Vocational-Technical Tuition Grant	O	NA	No	NA
•GSL (EAGLE)	O	NA	No	NA
•Paul Douglas Scholarship	O	NA	No	NA

COLLEGE STUDENT AID COMMISSION[283](cont'd)

DESCRIPTION OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY FOR CONFIDENTIALITY	PERSONALLY IDENTIFIABLE INFORMATION	LEGAL AUTHORITY FOR PI INFORMATION
•Teacher Shortage-Forgivable Loan	Ø	NA	No	NA
•Iowa Grant	Ø	NA	No	NA
•Osteopathic Physician Recruitment	Ø	NA	No	NA
•Accelerated Career Education Grant	Ø	NA	No	NA
•Iowa National Guard-Educational Assistance	Ø	NA	No	NA
•Chiropractic Graduate Student Forgivable Loan	Ø	NA	No	NA
•Gov. Terry E. Branstad Iowa State Fair Scholarship	Ø	NA	No	NA
Applicant/Recipient Records may contain information from restricted sources:				
•Federal Tax Returns	C	Iowa Code 422.20	Yes	P.L. 89-329
•Iowa Dept. of Revenue	C	Iowa Code 422.20	Yes	Sec. 428[b-e]
•Education Records	C	Iowa Code 22.7	Yes	Sec. 488[e]

ITEM 3. Amend rule 283—7.10(261,ExecOrd11,17A) as follows:

283—7.10(261,ExecOrd11,17A) Filing of petition. A petition for a waiver must be submitted in writing to the commission's Executive Director, 200 Tenth Street, Fourth Floor, 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-3609 50309-1920.

[Filed 1/20/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1870C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby rescinds Chapter 10, "Federal Family Education Loan Programs," Chapter 11, "State of Iowa Scholarship Program," Chapter 15, "Iowa Guaranteed Loan Payment Program," and Chapter 19, "Accelerated Career Education Grant Program," Iowa Administrative Code.

Chapter 10 describes the procedures under which the Commission administered the Federal Family Education Loan Program, a program no longer administered by the Commission.

Chapter 11 provides rules for the State of Iowa Scholarship Program, which has not been funded since fiscal year 2005.

Chapters 15 and 19 provide rules for the Iowa Guaranteed Loan Payment Program and the Accelerated Career Education Grant Program. The programs were rescinded as a result of changes to Iowa Code sections 261.22 and 261.44 that were enacted in 2014 Iowa Acts, Senate File 2257.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 29, 2014, as **ARC 1690C**. This amendment is identical to that published under Notice of Intended Action.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

This amendment is intended to implement Iowa Code chapter 261.

This amendment will become effective March 25, 2015.

The following amendment is adopted.

COLLEGE STUDENT AID COMMISSION[283](cont'd)

Rescind and reserve **283**—**Chapter 10, Chapter 11, Chapter 15 and Chapter 19.**

[Filed 1/20/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1871C**COLLEGE STUDENT AID COMMISSION[283]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 261.130, the Iowa College Student Aid Commission hereby amends Chapter 23, "Skilled Workforce Shortage Tuition Grant Program," Iowa Administrative Code.

The amendment to Chapter 23 clarifies the definition of "financial need" under the program.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 29, 2014, as **ARC 1688C**. The amendment is identical to that published under Notice of Intended Action.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

This amendment is intended to implement Iowa Code chapter 261.

This amendment will become effective March 25, 2015.

The following amendment is adopted.

Amend subrule 23.1(1) as follows:

23.1(1) Financial need.

a. Financial need shall be evaluated annually on the basis of a confidential financial statement filed on a form designated by the commission. For the purposes of determining financial need, the commission has adopted the use of the Free Application for Federal Student Aid (FAFSA), a federal form used to calculate a formula developed by the U.S. Department of Education, the results of which are used to determine relative need known as expected family contribution. The FAFSA must be received by the processing agent by the date specified by the college student aid commission.

b. Financial need is defined as the greater of \$200 per semester or the equivalent or the difference between the total maximum federal Pell grant for the academic year for a full-time student with an expected family contribution of \$0 minus the Pell grant award received by the student minus the Iowa vocational-technical tuition grant received by the student cost of attendance, minus the eligible applicant's expected family contribution, minus the federal Pell Grant received by the applicant, and minus the Iowa vocational-technical tuition grant received by the applicant. Awards will not exceed one-half of the average tuition and mandatory fees at Iowa community colleges and will not be less than \$200 per semester or the equivalent.

[Filed 1/20/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1878C**EDUCATIONAL EXAMINERS BOARD[282]****Adopted and Filed**

Pursuant to the authority of Iowa Code sections 272C.4(11), 272C.4(12) and 272.2(1)"a," the Board of Educational Examiners hereby amends Chapter 13, "Issuance of Teacher Licenses and Endorsements," Iowa Administrative Code.

EDUCATIONAL EXAMINERS BOARD[282](cont'd)

In 2013, the Board of Educational Examiners created a military exchange license to streamline the process of obtaining Iowa licensure for military personnel. This amendment aligns the existing military exchange license rule with the requirements of the Home Base Iowa Act, passed by the Iowa Legislature during the 2014 legislative session. Specifically, the Home Base Iowa Act's definitions of "military service" and "veteran" are incorporated into the rule, and a provision is added to allow an applicant to apply for credit for verified military education, training, or service applicable to any experience or educational requirement for licensure.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1723C** on November 12, 2014. A public hearing was held on December 3, 2014, with written comment accepted until December 5, 2014. No one attended the hearing, and no written comments were received.

These amendments are identical to those published under Notice of Intended Action.

There is an agencywide waiver provision available in 282—Chapter 6.

The Board of Educational Examiners adopted these amendments on January 15, 2015.

After analysis and review of this rule making, it is anticipated that the amendments will have a positive impact on jobs by facilitating the licensure of veterans for employment in Iowa schools.

These amendments are intended to implement Iowa Code sections 272C.4(11) and 272C.4(12).

These amendments will become effective March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule 13.17(4) as follows:

13.17(4) Military exchange license.

a. Definitions.

"Military service" means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

"Veteran" means an individual who meets the definition of "veteran" in Iowa Code section 35.1(2).

~~a. b.~~ Spouses of active duty military service members applying under 13.3(2). A three-year nonrenewable military exchange license may be issued to the applicant under the following conditions:

(1) The applicant has completed a traditional teacher preparation program at a regionally accredited and state-approved two- or four-year college.

(2) The applicant is the holder of a valid and current or an expired teaching license from another state.

(3) The applicant provides verification of the applicant's connection to or the applicant's spouse's connection to the military by providing a copy of current military orders with either a marriage license or a copy of a military ID card for the applicant's spouse.

(4) This license may be converted to a one-year regional exchange license upon application and payment of fees.

~~b. c.~~ Recent veterans (retired or discharged within the past five years as of the date of application) Veterans or their spouses applying under 13.3(2). A five-year teaching license or a one-year exchange license may be issued to an applicant who meets the requirements of 13.17(4) "~~a b~~"(1) and (2). A veteran must provide a copy of the veteran's DD 214. A spouse must provide a copy of the veteran spouse's DD 214 and the couple's marriage license.

~~c. d.~~ Spouses of active duty military, ~~recent~~ service veterans, or ~~recent~~ veterans' spouses applying under 13.3(3). If the applicant has completed a nontraditional teacher preparation program but is not eligible for a teaching license, the applicant will be issued a substitute license, and the initial review for the portfolio review process will be completed by board staff. An applicant must provide verification of connection to the military outlined in 13.17(4) "~~a b~~"(3) or 13.17(4) "~~b c.~~"

e. Military education, training, and service credit. An applicant for the military exchange license may apply for credit for verified military education, training, or service toward any experience or educational requirement for licensure by submitting documentation to the board of educational examiners. The applicant shall identify the experience or educational requirement to which the credit

EDUCATIONAL EXAMINERS BOARD[282](cont'd)

would be applied if granted. The board of educational examiners shall promptly determine whether the verified military education, training, or service will satisfy all or any part of the identified experience or educational requirement for licensure.

d.f. Fees. Fees for the background check, evaluation and license issued pursuant to 13.17(4) will be limited to the fee outlined in rule 282—12.1(272), paragraph “2.”

ITEM 2. Amend **282—Chapter 13**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapter 272 and 2014 Iowa Acts, chapter 1116, division VI.

[Filed 1/23/15, effective 3/25/15]

[Published 2/18/15]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1884C

EDUCATIONAL EXAMINERS BOARD[282]

Adopted and Filed

Pursuant to the authority of Iowa Code section 272.2(1)“a,” the Board of Educational Examiners hereby amends Chapter 14, “Special Education Endorsements,” Iowa Administrative Code.

A committee of school administrators, special education teachers, Area Education Agency staff, Department of Education staff, and Board of Educational Examiners staff met over several months to examine possible changes to the existing special education endorsements. Based on recommendations from this committee, the Board set forth proposed amendments in a Notice of Intended Action published in the Iowa Administrative Bulletin on September 3, 2014, as **ARC 1602C**.

Under the proposed amendments, the K-12 Special Education endorsement would have replaced the current instructional strategist I and II endorsements. The newly created K-12 Special Education endorsement increases specific preparation requirements of special education teachers (both in general education and special education preparation), addresses the noncategorical delivery models of special education, and includes coverage of Iowa’s specific special education issues and practices.

A public hearing was held on September 24, 2014, with written comment accepted until September 26, 2014. Written comments received after September 26, 2014, were provided to the Board.

The Board received approximately 250 written comments on the proposed amendments. At the public hearing on September 24, 2014, 52 people signed in and 15 spoke in opposition to the proposed amendments. The primary themes of the public input were: (1) opposition to eliminating current endorsements and requiring currently licensed teachers to take necessary coursework to obtain the proposed K-12 endorsement, and (2) the breadth of the proposed K-12 endorsement.

Based on this input and in response to the expressed concern about the proposed amendments not allowing for the grandfathering-in of those currently licensed individuals who hold other special education endorsements, the Board has elected to make the K-12 Special Education endorsement an option but not a requirement. With the amendment adopted herein, no action is taken on the currently available endorsements (that is, the Board did not adopt the amendments proposed in Item 1 of the Notice). The amendment adopted by the Board adds a new endorsement, K-12 Special Education, and an option for individuals to add specializations. These specializations may only be added to a license with the new K-12 Special Education endorsement. Based on public comment, the Board has added new paragraph 14.2(11)“f” to create an optional specialization in learning disabilities.

There is an agencywide waiver provision available in 282—Chapter 6.

The Board of Educational Examiners adopted this amendment on January 15, 2015.

After analysis and review of this rule making, there is no anticipated impact on jobs.

This amendment is intended to implement Iowa Code section 272.2(1)“a.”

This amendment will become effective March 25, 2015.

The following amendment is adopted.

EDUCATIONAL EXAMINERS BOARD[282](cont'd)

Adopt the following **new** subrules 14.2(10) and 14.2(11):

14.2(10) K-12 special education. This endorsement authorizes instruction in all K-12 special education programs without regard to the instructional model for all students identified with disabilities, except students with visual or hearing impairments. The applicant must present evidence of having completed coursework to meet the following program requirements.

a. Foundations of special education. To include cultural and instructional characteristics of students with disabilities, current issues, special education law, individualized education plans, history of special education, inclusive practices, and Iowa service delivery models.

b. Assessment, diagnosis and evaluation. To include diagnostic, formative, and summative assessments (both general and alternate), adaptive behavior skills, data usage in program decision making, and interpretation of standardized assessment.

c. Methods for teaching general education core curriculum. To include one course each in methods for elementary math and literacy.

d. Academic methods and strategies. To include evidence-based models for providing instructional methodologies, adaptation, accommodation and intensive interventions of the K-12 general education curriculum for students with disabilities (including concepts reflected in the Iowa Core essential elements for individuals with significant intellectual disabilities). The methodology for remediation of literacy and math skills must be included.

e. Preparation in research-based assessment and intervention practices. To include applied behavior analysis (ABA), behavior intervention planning (BIP), cognitive behavioral strategies (e.g., CBM, rational emotive education), de-escalation techniques (e.g., Mandt, CPI), functional behavioral assessment (FBA), and positive behavior interventions and supports (PBIS), in order to increase or promote language and communication development; emotional and social health; positive social interaction, personal satisfaction, and self-determination; decision-making skills; and independent functioning at school and home and in the community.

f. Collaborative and transition partnerships. To include awareness of the services, networks, and organizations available including transitional support K-12; preparation in working with parents and families, community agencies, service providers, and support staff including paraeducators; strategies for working with general classroom teachers and knowledge of the collaborative and consultative roles of special education teachers in the integration of individuals with disabilities into the general curriculum and classroom; and special emphasis on transitions of students to postsecondary environments.

g. Assistive/instructional technology. To include preparation in the use of assistive and instructional technology to assist students with moderate to significant disabilities to access the core curriculum and address compensatory or individualized needs, including accessible instructional materials.

h. Student teaching across all grade levels (K-12) with students with disabilities.

14.2(11) Special education specializations. Specializations allow the applicant to demonstrate expanded knowledge and skills with specific disability categories. The following specializations are not endorsements and are not required for specific assignments, but may be used by local school districts and nonpublic schools in specific settings. Specializations may be added to a teaching license by the completion of an additional 15 credit hours dedicated to the specialization beyond the special education endorsement requirements.

a. Intellectual disabilities: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with intellectual disabilities.

b. Autism spectrum disorders: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with autism spectrum disorders.

c. Behavioral/emotional disorders: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with behavior/emotional disorders.

d. Multiple disabilities: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with multiple disabilities.

EDUCATIONAL EXAMINERS BOARD[282](cont'd)

e. Physical disabilities: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with physical disabilities.

f. Learning disabilities: Fifteen credit hours of coursework dedicated to characteristics, instructional methodology, assessment, and transition of K-12 students with learning disabilities.

[Filed 1/27/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1875C

EDUCATION DEPARTMENT[281]

Adopted and Filed

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby amends Chapter 25, "Pathways for Academic Career and Employment Program; Gap Tuition Assistance Program," Iowa Administrative Code.

Revised Chapter 25 incorporates changes to the Pathways for Academic Career and Employment Program and Gap Tuition Assistance Program included in 2013 Iowa Acts, House File 604, passed by the 2013 General Assembly. Changes as a result of 2013 Iowa Acts, House File 604, include the addition of pathway navigators and regional industry sector partnerships; an increase in the federal poverty level benchmark from 200 percent to 250 percent under target populations and applicants for tuition assistance; and the addition of staff support services under eligible costs.

An agencywide waiver provision is provided in 281—Chapter 4.

Notice of Intended Action was published in the December 10, 2014, Iowa Administrative Bulletin as **ARC 1783C**. Public comments were allowed until 4:30 p.m. on December 30, 2014. A public hearing was held on that date. No one attended the public hearing. There was one written comment received on the amendments. These amendments are identical to those published under Notice of Intended Action.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 260H and 260I.

These amendments will become effective on March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend rule 281—25.11(260H) as follows:

281—25.11(260H) Purpose. The pathways for academic career and employment program (hereinafter referred to as PACE) is established to provide funding to community colleges for the development of projects that will lead to gainful, quality, in-state employment for members of target populations by providing them with both effective academic and employment training to ensure gainful employment and customized support services.

ITEM 2. Amend rule 281—25.12(260H) as follows:

281—25.12(260H) Target populations. Individuals included in target populations are those individuals who meet one or more of the following:

1. Are deemed by definition to be low skilled.
2. Earn incomes at or below ~~200~~ 250 percent of the federal poverty level.
3. Are unemployed.
4. Are underemployed.
5. Are dislocated workers.

ITEM 3. Amend subrule 25.16(3) as follows:

25.16(3) The development of career pathways that support the attainment of industry-recognized credentials, diplomas, and degrees ~~through stackable, modularized program delivery.~~

EDUCATION DEPARTMENT[281](cont'd)

ITEM 4. Adopt the following **new** rules 281—25.17(260H) and 281—25.18(260H):

281—25.17(260H) Pathway navigators.

25.17(1) A community college may use moneys for the PACE program to employ pathway navigators to assist students applying for or enrolled in eligible pathways for academic career and employment projects.

25.17(2) Pathway navigators shall provide services and support to aid students in selecting PACE projects that will result in gainful, quality, in-state employment and to ensure students are successful once enrolled in PACE projects. Services the pathway navigators may provide include but are not limited to the following:

- a.* Interviewing and selecting students for enrollment in PACE projects.
- b.* Assessing students' skills, interests, and previous academic and work experience for purposes of placement in PACE projects.
- c.* Working with students to develop academic and career plans and to adjust such plans as needed.
- d.* Assisting students in applying for and receiving resources for financial aid and other forms of tuition assistance.
- e.* Assisting students with the admissions process, remedial education, academic credit transfer, meeting assessment requirements, course registration, and other procedures necessary for successful completion of PACE projects.
- f.* Assisting in identifying and resolving obstacles to students' successful completion of PACE projects.
- g.* Connecting students with useful college resources or outside support services such as access to child care, transportation, and tutoring assistance, as needed.
- h.* Maintaining ongoing contact with students enrolled in PACE projects and ensuring students are making satisfactory progress toward the successful completion of projects.
- i.* Providing support to students transitioning from remedial education, short-term training, and classroom experience to employment.
- j.* Coordinating activities with community-based organizations that serve as key recruiters for PACE projects and assisting students throughout the recruitment process.
- k.* Coordinating adult basic education services.

281—25.18(260H) Regional industry sector partnerships.

25.18(1) A community college may use moneys for the PACE program to provide staff and support for the development and implementation of regional industry sector partnerships within the region served by the community college.

25.18(2) Regional industry sector partnerships may include but are not limited to the following activities:

- a.* Bringing together representatives from industry sectors, government, education, local workforce boards, community-based organizations, labor, economic development organizations, and other stakeholders within the regional labor market to determine how PACE projects should address workforce skills gaps, occupational shortages, and wage gaps.
- b.* Integrating PACE projects and other existing supply-side strategies with workforce needs within the region served by the community college.
- c.* Developing PACE projects that focus on the workforce skills, from entry-level to advanced, required by industry sectors within the region served by the community college.
- d.* Structuring pathways so that instruction and learning of workforce skills are aligned with industry-recognized standards where such standards exist.

EDUCATION DEPARTMENT[281](cont'd)

ITEM 5. Rescind rules 281—25.21(260I) to 281—25.27(260I) and adopt the following **new** rules in lieu thereof:

281—25.21(260I) Applicants for tuition assistance.

25.21(1) Eligibility criteria. Eligibility for tuition assistance shall be based on financial need. Applicants may be found eligible for partial or total tuition assistance. Tuition assistance shall not be approved when the community college receiving the application determines that funding for an applicant's participation in an eligible certificate program is available from any other public or private funding source.

a. Criteria to determine financial need shall include but not be limited to:

- (1) The applicant's family income for the 12 months prior to the date of application.
- (2) The applicant's family size.
- (3) The applicant's county of residence.

b. An applicant for tuition assistance under this chapter must have a demonstrated capacity to achieve the following outcomes:

- (1) The ability to complete an eligible certificate program.
- (2) The ability to enter a postsecondary certificate, diploma, or degree program for credit.
- (3) The ability to gain full-time employment.
- (4) The ability to maintain full-time employment over a period of time.

c. The community college receiving the application shall, after considering factors including but not limited to the following, approve an applicant for tuition assistance under this chapter only if the community college determines that applicant is likely to succeed in achieving the outcomes described in 25.16(2):

- (1) Barriers that may prevent an applicant from completing the certificate program.
- (2) Barriers that may prevent an applicant from gaining employment in an in-demand occupation.

25.21(2) Additional provisions.

a. An applicant for tuition assistance under Division II of this chapter shall provide to the gap tuition assistance coordinator at the community college receiving the application documentation of all sources of income.

b. Only an applicant eligible to work in the United States shall be approved for tuition assistance under Division II of this chapter.

c. An application shall be valid for six months from the date of signature on the application.

d. An applicant shall not be approved for tuition assistance under Division II of this chapter for more than one eligible certificate program.

e. Eligibility for tuition assistance under Division II of this chapter shall not be construed to guarantee enrollment in any community college certificate program.

f. Eligibility for tuition assistance under Division II of this chapter shall be limited to persons earning incomes at or below 250 percent of the federal poverty level as defined by the most recently revised poverty guidelines published by the U.S. Department of Health and Human Services.

281—25.22(260I) Eligible costs. Costs of a certificate program eligible for coverage by gap tuition assistance shall include but are not limited to the following:

1. Tuition.
2. Direct training costs.
3. Required books and equipment.
4. Fees, including but not limited to fees for industry testing services and background checks.
5. Costs of providing direct staff support services, including but not limited to marketing, outreach, application, interview, and assessment processes. Eligible costs for this purpose shall be limited to 20 percent of any allocation of moneys to the two smallest community colleges, 10 percent of any allocation of moneys to the two largest community colleges, and 15 percent of any allocation of moneys to the remaining 11 community colleges. Community college size shall be determined based on the most recent three-year rolling average full-time equivalent enrollment.

EDUCATION DEPARTMENT[281](cont'd)

281—25.23(260I) Eligible certificate programs. For the purposes of this chapter, “eligible certificate program” means a program meeting all of the following criteria:

25.23(1) The program is not offered for credit but is aligned with a certificate, diploma, or degree for credit, and does at least one of the following:

- a. Offers a nationally, state-, or locally recognized certificate.
- b. Offers preparation for a professional examination or licensure.
- c. Provides endorsement for an existing credential or license.
- d. Represents recognized skill standards defined by an industrial sector.
- e. Offers a similar PACE credential or training.

25.23(2) The program offers training or a credential in an in-demand occupation. For the purposes of this chapter, “in-demand occupation” includes occupations in information technology, health care, advanced manufacturing, transportation and logistics, and any other industry designated as in demand by a regional advisory board established pursuant to Iowa Code section 84A.4.

281—25.24(260I) Initial assessment. An eligible applicant for tuition assistance under Division II of this chapter shall complete an initial assessment administered by the community college receiving the application to determine the applicant’s readiness to complete an eligible certificate program. The assessment shall include assessments for completion of a national career readiness certificate, including the areas of reading for information, applied mathematics, and locating information. An applicant must achieve at least a national bronze-level certificate defined as a minimum level 3 for reading, mathematics, and locating information in order to be approved for tuition assistance. An applicant shall complete any additional assessments and occupation research required by the gap tuition assistance program or an eligible certificate program, or both.

281—25.25(260I) Program interview. An eligible applicant for tuition assistance under Division II of this chapter shall meet with the gap tuition assistance coordinator for an eligible certificate program offered by the community college receiving the application. The gap tuition assistance coordinator shall discuss the relevant industry, any applicable occupation research, and any applicable training relating to the eligible certificate program. The discussion shall include an evaluation of the applicant’s capabilities, needs, family situation, work history, education background, attitude and motivation, employment dates, support needs, and other requirements for an eligible certificate program.

281—25.26(260I) Participation requirements.

25.26(1) A participant in an eligible certificate program who receives tuition assistance pursuant to Division II of this chapter shall do all of the following:

- a. Maintain regular contact with staff members for the certificate program to document the applicant’s progress in the program.
- b. Sign a release form to provide relevant information to community college faculty or case managers.
- c. Discuss with staff members for the certificate program any issues that may impact the participant’s ability to complete the certificate program, obtain employment, and maintain employment over a period of time.
- d. Attend all required courses regularly.
- e. Meet with staff members for the certificate program to develop a job search plan.

25.26(2) A community college may terminate tuition assistance for a participant who fails to meet the requirements of this rule. The participant may utilize the community college’s local appeal process to contest termination from the program. The process to appeal a termination will be provided to a participant through the gap tuition assistance coordinator.

281—25.27(260I) Oversight. Statewide oversight, evaluation, and reporting efforts for the gap tuition assistance program are coordinated by the department.

EDUCATION DEPARTMENT[281](cont'd)

25.27(1) A steering committee consisting of the Iowa department of education, the Iowa workforce development department, and community college continuing education deans and directors is established to determine if the performance measures of the gap tuition assistance program are being met and to correct any deficiencies. The steering committee shall meet at least quarterly to evaluate and monitor the performance of the gap tuition assistance program.

25.27(2) A common intake tracking system is established and shall be implemented consistently by each participating community college. The community colleges will work cooperatively in establishing the system, and the Iowa department of education will assist in gathering required reporting data elements.

25.27(3) The steering committee will develop the required program criteria for PACE and gap tuition assistance-certified programs to be eligible for tuition assistance and program funding. These criteria will be developed based on best practices in the development and delivery of career pathway programs that provide a clear sequence of education coursework and credentials aligned with regional workforce skill needs; clearly articulate from one level of instruction to the next; combine occupational skills and remedial adult education; lead to the attainment of a credential or degree; assist with job placement; and provide wraparound social and socioeconomic support services with the goal of increasing the individual's skills attainment and employment potential.

ITEM 6. Rescind and reserve rule **281—25.28(260I)**.

ITEM 7. Amend **281—Chapter 25**, implementation sentence, as follows:

These rules are intended to implement ~~2014~~ 2014 Iowa Code Supplement chapters 260H and 260I.

[Filed 1/23/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1887C

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) hereby amends Chapter 4, "Employers," Chapter 8, "Service Purchases," Chapter 9, "Refunds," Chapter 11, "Application for, Modification of, and Termination of Benefits," Chapter 12, "Calculation of Monthly Retirement Benefits," Chapter 13, "Disability for Regular and Special Service Members," Chapter 14, "Death Benefits and Beneficiaries," Chapter 16, "Domestic Relations Orders and Other Assignments," and Chapter 17, "Public Records and Fair Information Practices," Iowa Administrative Code.

These amendments:

- Implement contribution rates for regular and special service members beginning July 1, 2015;
- Add two new protection occupation class groups, pursuant to legislation in 2014;
- Change the time of service purchases made by members to at the time of retirement only, effective January 1, 2016;
- Clarify requirements for submission of a completed retirement or disability retirement application by a member with regard to termination dates provided by the employer and acceptable proof of date of birth;
- Conform rules for recovery of overpayments and for interest charged in the case of fraud to the business rules and procedures currently in place;
- Clarify vesting requirements and that level payment options are not available to members applying for disability benefits;
- Update rules to conform to the language of controlling statutes;

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

- Remove language regarding same gender spouse or former spouse, same sex spouse or former spouse, or Administrable Domestic Relations Order, or ADRO, in definitions and related provisions;
- Conform IPERS' reporting requirements to IRS reporting requirements for distributions to nonspouse successor alternate payees;
- Update rules to better clarify the intent, make the rules consistent, or correct outdated references;
- Update several rules regarding IPERS' administration of Domestic Relations Orders; and
- Update the definition of "record" to be consistent with business rules and procedures.

Notice of Intended Action was published in the Iowa Administrative Bulletin on December 24, 2014, as **ARC 1800C**. A public hearing was held on January 13, 2015, at 9 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa, in Conference Room G. No one attended the public hearing, and no written comments were received. One technical correction has been made since publication of the Notice of Intended Action. The word "subrule" has been changed to "rule" in the last paragraph of rule 495—14.1(97B) in Item 36.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 97B.4 and 97B.15.

These amendments will become effective March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend paragraph **4.6(1)“b”** as follows:

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rule making that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	14.45%	14.88%	14.88%	<u>14.88%</u>
Employer	8.67%	8.93%	8.93%	8.93%
Employee	5.78%	5.95%	5.95%	<u>5.95%</u>

ITEM 2. Amend subrule 4.6(2) as follows:

4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2010	Effective July 1, 2011	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	17.88%	19.66%	19.80%	19.76%	19.76%	<u>19.76%</u>
Employer	8.94%	9.83%	9.90%	9.88%	9.88%	<u>9.88%</u>
Employee	8.94%	9.83%	9.90%	9.88%	9.88%	<u>9.88%</u>

ITEM 3. Amend subrule 4.6(3) as follows:

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2010	Effective July 1, 2011	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	16.59%	16.62%	17.11%	16.90%	16.90%	<u>16.40%</u>
Employer	9.95%	9.97%	10.27%	10.14%	10.14%	<u>9.84%</u>
Employee	6.64%	6.65%	6.84%	6.76%	6.76%	<u>6.56%</u>

ITEM 4. Adopt the following **new** paragraph **4.6(4)“n”**:

n. Effective July 1, 2014, an employee of the insurance division of the department of commerce who as a condition of employment is required to be certified by the Iowa law enforcement academy and who is required to perform the duties of a peace officer as provided in Iowa Code section 507E.8.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 5. Adopt the following new paragraph **4.6(4)“o”**:

o. Effective July 1, 2014, an employee of a judicial district department of correctional services whose condition of employment requires the employee to be certified by the Iowa law enforcement academy and who is required to perform the duties of a parole officer as provided in Iowa Code section 906.2.

ITEM 6. Adopt the following new paragraph **8.1(2)“g”**:

g. Effective January 1, 2016, for new service purchase applications and updated cost requests received, the following procedures and calculations shall apply:

(1) Service purchase estimate prior to retirement. Members who are vested by service may request a service purchase estimate by completing and submitting a service purchase application. Once the application is submitted, IPERS shall complete a cost estimate. This calculation is an estimate only and is not considered binding. The cost estimate shall be calculated as follows:

1. IPERS will calculate the cost by capturing the baseline benefit attributes at the member's anticipated retirement date without any service purchase quarterly credits including: average salary, years of service, the Option 2 benefit amount, current member investment amount and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary which represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span.

2. With each potential purchasable quarterly service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each quarterly service credit will be the difference between the new reserve amount and the previous one.

(2) Final service purchase cost quote at retirement. On or before the date that a member's first benefit payment is issued, a member who is vested by service may request a final service purchase cost quote by completing and submitting an application for retirement/disability benefit indicating the member's desire to receive a final service purchase cost quote. Once submitted, IPERS shall generate a final service purchase cost quote once all of the member's wages are submitted to IPERS, which may be after the member's first month of entitlement. The final cost quote shall be calculated as follows:

1. IPERS will calculate the cost by capturing the baseline benefit attributes at the member's first month of entitlement without any service purchase quarterly credits including: average salary, years of service, the Option 2 benefit amount, current member investment amount and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary which represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span. With each potential purchasable service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each purchasable quarter of service credit will be the difference between the new reserve amount and the previous one.

2. The retired member will have six months from the date in which IPERS generates the final service purchase cost quote to purchase additional service.

3. If the retired member purchases service within the six-month deadline, the increase in the retirement benefit shall be made effective with the month of the service purchase payment.

4. Retired members who do not indicate their desire for a final service purchase cost quote on or before the date their first payment is issued or do not complete the purchase within the six-month deadline indicated on the final service purchase cost quote shall not be eligible to purchase additional credit.

(3) Cost adjustments due to changes in the original retirement benefit. If an error in the service purchase cost is discovered or a retired member's account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, make adjustments to the service purchase cost, or adjust the retirement allowance to ensure the member paid the actuarial cost of buying additional service. In the event that a retired member overpays due to an adjustment, IPERS will issue a refund to the retired member directly or to the rollover institution.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 7. Amend subrule 8.1(3) as follows:

8.1(3) IPERS buy-back. Effective July 1, 1996, only vested or retired members may buy back previously refunded IPERS credit. For the period beginning July 1, 1996, and ending June 30, 1999, an eligible member is required to make membership contributions equal to the accumulated contributions received by the member for the period of service being purchased plus accumulated interest and interest dividends. Effective July 1, 1999, an eligible member must pay the actuarial cost of a buy-back, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions and cost methods used in preparing IPERS' annual actuarial valuation, except that: (1) the retirement assumption shall be changed to 100 percent at the member's earliest unreduced retirement age; and (2) if gender-distinct mortality assumptions are used in the annual actuarial valuation, the system shall use blended mortality assumptions reasonably representative of the system's experience. The actuarial cost of a service purchase shall be the difference between (1) the actuarial accrued liability for the member using the foregoing assumptions and current service credits, and (2) the actuarial accrued liability for the member using the foregoing assumptions, current service credits, and all quarters of service credit available for purchase. If IPERS changes the service purchase mortality assumptions, all outstanding service purchase quotes shall be binding for the remainder of the periods for which the cost quotes were issued. A cost quote for a service purchase shall expire six months after the date printed on the cost quote letter. After that time, a new cost quote must be obtained for any quarters not previously purchased.

Effective July 1, 1996, buy-backs may be made in increments of one or more calendar quarters. Prior to July 1, 1996, the member was required to repurchase the entire period of service and repay the total amount received plus accumulated interest and interest dividends.

A member who is vested solely by having attained the age of 55 must have at least one calendar quarter of wages on file with IPERS before completing a buy-back.

For persons who submitted requests for buy-back cost quotes on or before January 14, 2004, IPERS shall restore the wage records of a member who makes a buy-back based on those quotes and utilize those wage records in subsequent benefit calculations for that member.

For persons who submit requests for buy-back cost quotes and make purchases based on those quotes after January 14, 2004, IPERS shall not restore the wage records for the purchased quarters. After January 14, 2004, such buy-backs shall be treated like all other service purchases and IPERS will only restore service credit.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 8. Adopt the following **new** paragraph **8.1(5)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 9. Adopt the following **new** paragraph **8.1(6)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay 40 percent and the Iowa legislature shall pay 60 percent of the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 10. Adopt the following **new** paragraph **8.1(7)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 11. Amend subrule 8.1(8) as follows:

8.1(8) *Leaves of absence.* Service credit for leaves of absence that begin on or after July 1, 1998, may be purchased. A member must be vested or retired and must have one calendar year of wages on file in order to make such a purchase.

For a leave of absence beginning on or after July 1, 1998, and purchased before July 1, 1999, the service purchase cost shall be equal to the employer and employee contributions and interest payable for the employee's most recent year of covered wages, adjusted by the inflation factor used in paragraph 8.1(2) "c." For a leave of absence beginning on or after July 1, 1998, and purchased on or after July 1, 1999, the service purchase cost shall be the actuarial cost, as certified by IPERS. In calculating the actuarial cost of a service purchase under this subrule, IPERS shall apply the same actuarial assumptions and cost methods as those in paragraph 8.1(2) "f."

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 12. Amend subrule 8.1(9) as follows:

8.1(9) *Service credit for elective coverage positions—coverage not elected.* Service credit for periods of time prior to January 1, 1999, when the member was employed in a position for which coverage could have been elected, but was not, may be purchased. The cost of such service purchases shall be calculated in the same manner as provided for buy-ins under paragraph 8.1(2) "f." In addition, a member must be vested or retired, and must have one calendar year of wages on file in order to make such a purchase.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 13. Amend subrule 8.1(10) as follows:

8.1(10) *Service credit for noncovered public employment in Iowa.* A vested or retired member who has one or more years of service credit and who was previously employed in public employment for which optional coverage was not available, such as substitute teaching or other temporary employment, may purchase service credit for such employment subject to the requirements of Iowa Code section 97B.80C. Service credit may not be purchased under this subrule for periods in which the individual was performing services as an independent contractor. The contributions required under this subrule shall be in an amount equal to the actuarial cost of the service purchase as determined under paragraph 8.1(2) "f."

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 14. Amend rule 495—8.4(97B) as follows:

495—8.4(97B) Required quarters of wages on file.

8.4(1) If a member is attempting to purchase service credit under this chapter, and any particular rule under this chapter requires that the member must have four calendar quarters of wages on file as a precondition to making the purchase, and the member's regular job duties are performed in fewer than four calendar quarters each year, the four-calendar-quarter requirement shall be reduced to the number of calendar quarters regularly worked by the member.

8.4(2) Effective January 1, 2016, the member must be vested by service.

ITEM 15. Amend paragraph **8.5(1) "a"** as follows:

a. *Active and inactive members.* For active and inactive members, a service purchase cost quote must include the following information: member's date of birth, the applicable occupation class code, total years of current unused IPERS service credit, highest calendar year of covered wages on file, member's current investment, and the total number of quarters available to purchase on this cost quote.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 16. Amend paragraph **8.5(1)"b"** as follows:

b. Retired members. For retired members, a service purchase cost quote must include the following information: member's date of birth, the applicable occupation class code, average of the highest three calendar years of covered wages, the option the member selected at retirement, the total number of quarters available to purchase on this cost quote, and a calculation of the member's new benefit amount if the member actually purchases all of the quarters in this service purchase cost quote.

If the member retired under Option 4 or 6, IPERS must be provided with either the date of death or the date of birth, as applicable, for the contingent annuitant, and the percent selected by the member for continuation of benefits to the contingent annuitant upon the member's death. If the member retired under Option 6, IPERS shall calculate how the member's benefits will change under Option 2 upon the contingent annuitant's death. In preparing cost quotes for retired members who selected Option 4 or 6, IPERS shall use for beneficiary mortality assumption the reverse of the assumption used for benefit mortality.

If the member retired under Option 5, a service purchase cost quote shall also include information on how many months are remaining on the guaranteed ten-year payout.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 17. Amend paragraph **8.5(1)"c"** as follows:

c. Reemployment. If the member is retired and subsequently reemployed in IPERS covered employment and then requests a service purchase cost quote, IPERS shall apply the service to be purchased to the member's original annuity. IPERS shall use the same information as described in paragraphs "a" and "b" of this subrule, and IPERS shall appropriately calculate the service purchase cost quote.

Effective January 1, 2016, retired and subsequently reemployed members are no longer eligible.

ITEM 18. Amend subrule 8.5(2) as follows:

8.5(2) Additional service purchase procedures.

a. Service purchase cost quotes for members currently in special service positions shall be prepared as special service credit.

~~*b.* Service purchase cost quotes for a member with a combination of currently unused regular service credit and special service credit shall be prepared reflecting purchase as regular service credit and alternatively as special service credit, regardless of the member's current occupation classification code. The member may choose whether to purchase the service as regular service credit or as special service credit, but not as a combination of both.~~

~~*b.* Members covered under another retirement plan. Members who wish to buy service credit for all employment that is covered by another retirement plan qualified under IRC Section 401 (or would qualify if submitted to the IRS under IRC Section 401), IRC Section 403 or 457 and similar plans and retirement pay from the United States government for active duty in the armed forces (except retirement pay for nonregular service pursuant to 10 U.S.C. Sections 12731-12739) must waive their right to benefits based on the service credit that is being purchased under IPERS. If a waiver is not obtained, however, service purchases for such employment may still be made, but shall be limited to 20 quarters.~~

~~*c.* Members retired under IPERS' disability formula. A retired member receiving IPERS benefits as a result of a disability shall receive a service purchase cost quote which reflects no penalty for early age reduction.~~

~~*d.* Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.82 adopted in order to comply with prior rollover provisions of the Internal Revenue Code, utilize forms and procedures permitting direct rollover service purchases to include after-tax amounts as~~

IOWA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM[495](cont’d)

provided under the applicable rollover provisions of the Internal Revenue Code as amended subsequent to the enactment of Iowa Code section 97B.82.

ITEM 19. Amend subrule 8.5(4) as follows:

8.5(4) *“Buy up” of service credit through service purchase.* Effective July 1, 2008, IPERS members may be allowed to “buy up” service credit. The term “buy up” means to convert regular service credit to special service credit by payment of the actuarial cost. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions and cost methods as those in paragraph 8.1(2) “f,” except as modified according to the actuary’s recommendations.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) “g.”

a. Active, retired and inactive members. A Effective January 1, 2016, a member must have at least one quarter of available or retired special service wages on file and must be vested by years of service at the time of the buy-up. A service purchase cost quote must include the following information:

	Active and Inactive Members	Retired Members
Member ID or social security account number	X	X
Date of birth	X	X
Occupation code	Current	At retirement
Wage	Highest year of calendar wage	Average of the highest three calendar years of wages used at retirement
Years of service—regular	X	X
Years of service—sheriffs/deputies	X	X
Years of service—protection occupation	X	X
Number of quarters available to buy up	X	X
Type of conversion—sheriffs/deputies or protection occupation	X	X
Investment (employee’s contributions and interest)	Current	At retirement

b. No change.

c. Wage adjustment after a buy-up.

(1) ~~If an employer submits wage adjustments on service credit that has been purchased through a buy-up, the member’s cost quote will not be affected by a wage adjustment that alters the reported wages on file, so long as reported wages for the buy-up quarters are not reduced below \$1.~~

(2) ~~If an employer wage adjustment completely removes a member’s service credit in a buy-up quarter, IPERS shall correct the service credit; and perform the necessary recalculations; and contact the member, if necessary, for any contribution and benefit payment adjustments.~~

d. No change.

ITEM 20. Adopt the following new rule 495—8.6(97B):

495—8.6(97B) Adjustments. If an error in the service purchase cost is discovered or a member’s account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, make adjustments to the service purchase cost, or adjust the retirement allowance to ensure the active or retired member is paying the actuarial cost of buying additional service.

ITEM 21. Amend **495—Chapter 8**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.43, ~~97B.73B~~, 97B.80, 97B.80C, and 97B.82.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 22. Amend subrule 9.4(2) as follows:

9.4(2) The last date the member is considered an employee and the date of the last paycheck from which IPERS contributions will be deducted must be certified by the employer on the refund application unless the member has not been paid covered wages for at least one year or the employer has provided the termination date and date of the last paycheck on the monthly wage reports. Terminated employees must keep IPERS advised in writing of any change in address so that refunds and tax documents may be delivered.

ITEM 23. Amend paragraph **11.1(1)“c”** as follows:

c. If the member has been terminated less than one year, or is applying for disability benefits, the employer certification page must be completed by the employer unless the employer has provided the termination date and date of the last paycheck on the monthly wage reports.

ITEM 24. Amend subrule 11.1(2) as follows:

11.1(2) *Proof required in connection with application.* Proof of date of birth to be submitted with an application for benefits shall be in the form of a birth certificate ~~or~~, a U.S. passport, an infant baptismal certificate, a state identification card that is issued in compliance with the REAL ID Act of 2005, or a driver's license that is issued in compliance with the REAL ID Act of 2005. If these records do not exist, the applicant shall submit two other documents or records which will verify the day, month and year of birth. A photographic identification record may be accepted even if now expired unless the passage of time has made it impossible to determine if the photographic identification record is that of the applicant. The following records or documents are among those deemed acceptable to IPERS as proof of date of birth:

- a. United States census record;
- b. Military record or identification card;
- c. Naturalization record;
- d. A marriage license showing age of applicant in years, months and days on date of issuance;
- e. A life insurance policy;
- f. Records in a school's administrative office;
- g. An official ~~form document~~ from the United States Immigration and Naturalization Service U.S. Citizenship and Immigration Services, such as ~~the a~~ “green card,” containing such information;
- h. Driver's license or Iowa nondriver identification card;
- i. Adoption papers;
- j. A family Bible record. ~~A photostatic copy~~ photocopy will be accepted with a notarized certification by a notary that the record appears to be genuine; or
- k. Any other document or record ten or more years old, or certification from the custodian of such records which verifies the day, month, and year of birth.

If the member, the member's representative, or the member's beneficiary is unable or unwilling to provide proof of birth, or in the case of death, proof of death, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, Iowa division of records and statistics, IPERS' own internal records, or reports derived from other public records, and other departmental or governmental records to which IPERS may have access.

IPERS is required to begin making payments to a member or beneficiary who has reached the required beginning date specified by Internal Revenue Code Section 401(a)(9). In order to begin making such payments and to protect IPERS' status as a plan qualified under Internal Revenue Code Section 401(a), IPERS may rely on its internal records with regard to date of birth, if the member or beneficiary is unable or unwilling to provide the proofs required by this subrule within 30 days after written notification of IPERS' intent to begin mandatory payments.

ITEM 25. Amend paragraph **11.2(4)“e”** as follows:

e. If an IPERS member has a qualified domestic relations order (QDRO) ~~or an administrable domestic relations order (ADRO)~~ on file when a mandatory distribution is required, and the QDRO ~~or ADRO~~ requires the member to choose a specific retirement option, IPERS shall pay benefits under the option required by the order.

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ITEM 26. Amend paragraph **11.7(5)“b”** as follows:

b. Overpayments as the result of fraud in violation of Iowa Code section 97B.40 or 715A.8. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.7(4), was the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 5 7.5 percent on the outstanding balance, beginning on the date of the overpayment(s).

ITEM 27. Amend subrule 12.1(1) as follows:

12.1(1) Formula benefit versus money purchase benefit. If a member is vested by ~~complete~~ years of service credit in IPERS, a monthly payment allowance will be paid in accordance with the formulas set forth in Iowa Code sections 97B.49A through 97B.49I, the applicable paragraphs of this chapter, and the option the member elects pursuant to Iowa Code section 97B.51(1). IPERS shall determine on the applicable forms which designated fractions of a member's monthly retirement allowance payable to contingent annuitants shall be provided as options under Iowa Code section 97B.51(1). Any option elected by a member under Iowa Code section 97B.51(1) must comply with the requirements of the Internal Revenue Code that apply to governmental pension plans, including but not limited to Internal Revenue Code Section 401(a)(9). If a member ~~does not have four complete years of service credit is not~~ vested by years of service credit in IPERS, the benefit receivable will be computed on a money purchase basis, with reference to annuity tables used by IPERS in accordance with the member's age and option choice.

ITEM 28. Amend paragraph **12.7(3)“b”** as follows:

b. For IPERS Options 4 and 5, IPERS shall assume that the contingent annuitant's or beneficiary's monthly payments and death benefits, if any, prior to the date the member attains, or would have attained, age 62 shall be based on the amount that was payable to the member for periods before the member attains, or would have attained, age 62. Beginning with the month after the month that the member attains, or would have attained, age 62, a contingent annuitant's or beneficiary's monthly payments and death benefits, except death benefits under IPERS Options 1 and 2, shall be based on the reduced amount that would have been payable to the member in the month after the month that the member attained age 62.

ITEM 29. Amend paragraph **12.7(5)“a”** as follows:

a. Those who retire under Iowa Code section 97B.49D, 97B.50(2), or 97B.50A.

ITEM 30. Amend subparagraph **12.8(2)“c”(1)** as follows:

(1) If the overpayment can be repaid by deducting up to 30 percent of each net monthly payment in three installments or less, IPERS shall adjust the member's monthly benefit accordingly. If the adjustment cannot be repaid in three payments, a repayment agreement must be signed by the member and IPERS. IPERS will reduce the member's gross monthly benefit by 30 percent until the overpayment is repaid. If the 30 percent reduction will not recover the overpayment by the end of the current calendar year, IPERS will calculate the monthly reduction amount so that the overpayment will be recovered within the current calendar year. Other monthly reduction amounts may be made by an agreement in writing between the member and IPERS; or

ITEM 31. Amend subparagraph **12.8(2)“c”(2)** as follows:

(2) A member may elect to make repayments of the overpayment amounts out of pocket in lieu of having the member's monthly benefit reduced. An out-of-pocket repayment may be made in one check or in installments. However, an election to make repayment in installments must be accompanied by a repayment agreement signed by the member and IPERS agreed to in writing between the member and IPERS.

ITEM 32. Amend subrule 12.8(3), introductory paragraph, as follows:

12.8(3) A member who is reemployed in covered employment after retirement may, after again retiring from employment, request a recomputation of benefits. The member's retirement benefit shall be increased if possible by the addition of a second annuity, which is based on years of reemployment service, reemployment covered wages and the benefit formula in place at the time of the recomputation.

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A maximum of 30 years of service is creditable to an individual retired member. If a member's combined years of service exceed 30, a member's initial annuity may be reduced by a fraction of the years in excess of 30 divided by 30. The second retirement benefit will be treated as a separate annuity by IPERS. ~~Any contributions that cannot be used in the recomputation of benefits shall be refunded to the employee and the employer.~~

ITEM 33. Amend paragraph **12.8(4)“e”** as follows:

~~e. If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member's monthly benefits, the member's Option 1 death benefit shall also be increased if the investment is at least \$1,000. The maximum amount of the increase shall be equal to the member's investment (reemployment contributions and interest). In determining the increase in Option 1 death benefits, IPERS shall round up to the nearest \$1,000. For example, if a member's investment for a period of reemployment is \$2,900, the maximum death benefit attributable to the reemployment shall be \$3,000 (\$2,900 rounded up to the nearest \$1,000). In the example above, the member may choose a death benefit increase of \$1,000, or \$2,000, or \$3,000, but must choose at least the \$1,000 increase. Notwithstanding the foregoing, if the member's investment for the period of reemployment is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 shall be calculated under IPERS Option 3.~~ If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member's monthly benefits, the member's Option 1 death benefit shall also be increased if the investment is at least \$1,000. The amount of the increase shall be at least the same percentage of the maximum death benefit permitted with respect to the reemployment as the percentage of the maximum death benefit elected at the member's original retirement. In determining the increase in Option 1 death benefits, IPERS shall round up to the nearest \$1,000. For example, if a member's investment for a period of reemployment is \$1,900 and the member elected at the member's original retirement to receive 50 percent of the Option 1 maximum death benefit, the death benefit attributable to the reemployment shall be \$1,000 (50 percent times \$1,900, rounded up to the nearest \$1,000). Notwithstanding the foregoing, if the member's investment for the period of reemployment is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 shall be calculated under IPERS Option 3.

ITEM 34. Amend subparagraph **13.1(1)“d”(1)** as follows:

(1) For a member retiring due to a disability under Iowa Code section 97B.50(2), on or after ~~January~~ July 1, 2009, the member shall provide IPERS with proof of continuing eligibility for federal social security disability benefits or railroad retirement disability benefits by June 30 of each calendar year, in order to continue qualification for IPERS disability benefits.

ITEM 35. Amend subrule 13.1(4) as follows:

13.1(4) If a member whose IPERS disability benefits were suspended because of the member's return to covered employment provides proof acceptable to IPERS that the member remains eligible for federal social security disability benefits or railroad retirement disability benefits, IPERS shall reinstate the member's disability benefits, subject to the member's continued compliance with paragraph 13.1(1) “e d.”

ITEM 36. Amend rule 495—14.1(97B) as follows:

495—14.1(97B) Internal Revenue Code limitations. The death benefits payable under Iowa Code sections 97B.51 and 97B.52 shall not exceed the maximum amount possible under Internal Revenue Code Section 401(a)(9).

To ensure that the limit is not exceeded, a member's combined lump sum death benefit under Iowa Code sections 97B.52(1) and 97B.52(2) shall not exceed 100 times the Option 2 amount that would have been payable to the member at the member's earliest normal retirement age. If a beneficiary of a special service member is eligible for an in-the-line-of-duty death benefit, any reduction required under this rule shall be taken first from a death benefit payable under Iowa Code section 97B.52(1). The “100 times” limit shall apply to active and inactive members. The death benefits payable under this chapter for a

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period of reemployment for a retired reemployed member who dies during the period of reemployment shall also be subject to the limits described in this rule.

The maximum claims period for IPERS lump sum death benefits shall not exceed the period required under Internal Revenue Code Section 401(a)(9), which may be less than five years for a member who dies after the member's required beginning date, unless the beneficiary is a spouse. The claims period for all cases in which the member's death occurs during the same calendar year in which a claim must be filed under this rule shall end April 1 of the year following the year of the member's death.

A member's beneficiary or heir may file a claim for previously forfeited death benefits. Interest, if any, for periods prior to the date of the claim will only be credited through the quarter that the death benefit was required to be forfeited by law. Interest for periods following the quarter of forfeiture will accrue beginning with the quarter that the claim for reinstatement is received by IPERS. For death benefits required to be forfeited in order to satisfy Section 401(a)(9) of the federal Internal Revenue Code, in no event will the forfeiture date precede January 1, 1988. IPERS shall not be liable for any excise taxes imposed by the Internal Revenue Service on reinstated death benefits.

Effective January 14, 2004, all claims for a previously forfeited death benefit shall be processed under the procedure set forth at rule 495—14.13(97B).

The system recognizes the validity of same gender marriages consummated executed in Iowa on or after April 27, 2009, if the domestic relations order or other assignment otherwise meets the system's minimum requirements for such orders; the system shall modify the tax treatment of distributions under such orders as required by the federal laws governing such distributions. IPERS shall adopt such rules and procedures as are deemed necessary to fully implement the provisions of this rule. The Iowa Supreme Court decision recognizing same gender marriages in Iowa specifically states that this recognition does not extend to same gender marriages of other states. ~~The following special rules apply to same gender marriages in Iowa. IPERS shall administer marital property and support orders of same gender spouses married in Iowa on or after April 27, 2009, if the orders otherwise meet the system's minimum requirements for such orders.~~ The system recognizes the validity of same gender marriages based on the U.S. Supreme Court's decision in *United States v. Windsor*, 133 S.Ct. 2675 (2013) and the direction of Rev. Rul. 2013-17 and IRS Notice 2014-19. IPERS shall recognize the federal tax treatment of distributions as required by the sources listed in this paragraph.

ITEM 37. Amend subrule 14.3(1) as follows:

14.3(1) Designation of beneficiaries. To designate a beneficiary, the member must complete an IPERS designation of beneficiary form, which must be filed with IPERS. The designation of a beneficiary by a retiring member on the application for monthly benefits revokes all prior designation of beneficiary forms. IPERS may consider as valid a designation of beneficiary form filed with the member's employer prior to the death of the member, even if that form was not forwarded to IPERS prior to the member's death. If a retired member is reemployed in covered employment, the most recently filed beneficiary form shall govern the payment of all death benefits for all periods of employment. Notwithstanding the foregoing sentence, a reemployed IPERS Option 4 or 6 retired member may name someone other than the member's contingent annuitant as beneficiary, but only for lump sum death benefits accrued during the period of reemployment and only if the contingent annuitant has died or has been divorced from the member before or during the period of reemployment unless a qualified domestic relations order (QDRO) directs otherwise. If a reemployed IPERS Option 4 or 6 retired member dies without filing a new beneficiary form, the death benefits accrued for the period of reemployment shall be paid to the member's contingent annuitant, unless the contingent annuitant has died or been divorced from the member. If the contingent annuitant has been divorced from the member, any portion of the lump sum death benefits awarded in a QDRO shall be paid to the contingent annuitant as alternate payee, and the remainder of the lump sum death benefits shall be paid to the member's estate or, if applicable, to the member's heirs if no estate is probated.

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ITEM 38. Amend rule 495—14.4(97B) as follows:

495—14.4(97B) Applications for death benefits. Before death benefit payments can be made, application in writing must be submitted to IPERS with a copy of the member's death certificate, together with information establishing the claimant's right to payment. A named beneficiary must complete an IPERS application for death benefits based on the deceased member's account. If the claimant's claim is based on dissolution of marriage that revoked the IPERS beneficiary designation, the claim must be processed pursuant to rule 495—14.16 14.17(97B).

ITEM 39. Amend subrule **16.2(1)**, definition of "Benefits," as follows:

"Benefits" means, for purposes of this rule and depending on the context, a refund, monthly allowance (including monthly allowance paid as an actuarial equivalent (AE)), or death benefit payable with respect to a member covered under IPERS. "Benefits" does not include dividends payable under Iowa Code section 97B.49 or other cost-of-living increases unless specifically provided for in a QDRO ~~or an ADRO~~.

ITEM 40. Amend subparagraph **16.2(2)"c"(5)** as follows:

(5) Name a successor alternate payee to receive the amounts that would have been payable to the member's ~~spouse or former spouse~~ alternate payee under the order, if the former spouse alternate payee dies before the member. A successor alternate payee may be an individual(s) or a trustee, so long as the relationship of the trustee is clearly defined in the order stating that payment to the trustee is to be made in the case when any of the named successor alternate payees in the order is a minor or is legally incompetent. Once a successor alternate payee reaches the age of majority, IPERS will make payment, not to the trustee, but to the successor alternate payee directly. The designation of a successor alternate payee in an order shall be void and be given no effect if IPERS does not receive confirmation of the successor's name, social security number, and last-known mailing address on IPERS' Confidential Information form. A QDRO that lists a series of default successor alternate payees by class or permits a successor alternate payee to designate additional successor alternate payees is not permitted and will be rejected. Once a QDRO is accepted by IPERS for administration, in order to change the designation of successor alternate payees, an amended order is required.

ITEM 41. Amend paragraph **16.2(3)"m"** as follows:

m. If an order that is determined to be a QDRO divides a member's account using a service factor formula and the member's IPERS benefits are based on a number of quarters less than the member's total covered quarters, notwithstanding any terms of the order to the contrary, IPERS shall limit the number of quarters used in the numerator and the denominator of the service fraction to the number of quarters actually used in the calculation of IPERS benefits, not to exceed 120 quarters for special service members and 140 quarters for regular and hybrid members. IPERS will not accept or administer a service factor formula fraction in excess of 1.

ITEM 42. Amend paragraph **16.2(3)"p"** as follows:

p. If a ~~retired~~ member has filed for and is receiving monthly pension benefits, or wishes to file an application for retirement or a refund and has a qualified domestic relations order pending on the member's account, the parties (the member and the alternate payee or their counsel of record) may execute a waiver of the 30-day appeal period following review and qualification of the ~~retired~~ member's domestic relations order, using a form approved by the system.

ITEM 43. Amend rule **495—17.1(17A,22)**, definition of "Record," as follows:

"Record" means all or part of a "public record" as defined in Iowa Code section 22.1 or 97B.17 which is owned by or in the physical possession of the agency. IPERS also defines a record as information stored or preserved regardless of physical form. Record content, not record form, determines whether or not information constitutes a record. Any information documenting official final business, whether recorded on paper, reproduced on microfilm, entered in an electronic database, documented photographically,

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recorded in video or audio media, or documented using any other medium, constitutes a record. A record that is not confidential or otherwise exempt by federal or state law is termed an open record.

[Filed 1/28/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1874C**PUBLIC HEALTH DEPARTMENT[641]****Adopted and Filed**

Pursuant to the authority of 2014 Iowa Acts, chapter 1116, section 34, the Plumbing and Mechanical Systems Board (Board) hereby adopts new Chapter 62, "Plumbing and Mechanical Systems Board—Military Service and Veteran Reciprocity," Iowa Administrative Code.

This rule implements the Home Base Iowa Act, 2014 Iowa Acts, chapter 1116, which requires all professional and occupational licensing boards, commissions, and other authorities subject to Iowa Code chapter 272C to adopt rules by January 1, 2015, on military service and veteran licensure. This rule adopts by reference 641—Chapter 196, which was Adopted and Filed and published as **ARC 1749C** in the December 10, 2014, Iowa Administrative Bulletin. The rules in 641—Chapter 196 address the process under which the Department of Public Health will provide credit toward licensure qualifications for military service, education, and training and the procedures for expediting reciprocal and provisional licensure for veterans who are licensed in other states. The rules establish the same procedure for all licensing authorities within the Department.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 15, 2014, as **ARC 1669C**. No comments were received. The adopted rule is identical to that published under Notice.

The Board adopted this rule on January 21, 2015.

After analysis and review of this rule making, there will be a positive impact on jobs because the rule will streamline the licensing process for veterans when they are locating in or coming back to Iowa.

This rule is intended to implement 2014 Iowa Acts, chapter 1116, division VI.

This rule will become effective on March 25, 2015.

The following amendment is adopted.

Adopt the following new 641—Chapter 62:

CHAPTER 62

PLUMBING AND MECHANICAL SYSTEMS BOARD—
MILITARY SERVICE AND VETERAN RECIPROCITY

641—62.1(85GA,ch1116) Military service and veteran reciprocity. The board hereby adopts by reference 641—Chapter 196, "Military Service and Veteran Reciprocity," Iowa Administrative Code.

This rule is intended to implement 2014 Iowa Acts, chapter 1116, division VI.

[Filed 1/22/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1868C**PUBLIC SAFETY DEPARTMENT[661]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 101.1, the State Fire Marshal hereby amends Chapter 226, "Liquefied Petroleum Gas," Iowa Administrative Code.

The amendments update the current standards in order to adopt the most recent edition of the National Fuel Gas Code that has been developed by the National Fire Protection Association (NFPA).

The NFPA standards are designed to mitigate risks and to ensure safe installation of liquefied petroleum gas storage, handling, transportation and use and to prevent failures, leaks, and tampering that could lead to fires and explosions. The most recent standards reflect industry standards and promote safety.

Liquefied petroleum gas is a clean-burning fossil fuel that is primarily produced domestically. It can be adapted for many uses, and its use has increased in popularity in residential, agricultural, and commercial markets in the United States and elsewhere. Domestic and global demand is expected to increase markedly in the next five years. Safety standards are important for any fuels that can create public safety hazards, and adoption of the current national standards reflects the current state of knowledge and experience in the industry.

Notice of Intended Action for these amendments was published in the November 12, 2014, Iowa Administrative Bulletin as **ARC 1722C**.

A public hearing on the proposed amendments was held on December 2, 2014, at 9 a.m. in the First Floor Public Conference Room (Room 125), Oran Pape State Office Building, 215 East 7th Street, Des Moines, Iowa. Opportunities for written comments also were provided. Representatives of the Iowa Propane Gas Association were present for the public hearing and supported the amendments. These amendments are identical to those published under Notice of Intended Action.

Rules regarding liquefied petroleum gas are subject to the waiver provisions of rule 661—501.5(103). The State Fire Marshal does not have authority to waive requirements established by statute.

These amendments are not expected to have an impact on jobs in Iowa. The national code reflects current industry standards, and the adoption of those standards is not expected to affect jobs.

These amendments are intended to implement Iowa Code sections 101.1(4)"b," 101.1(5), and 100C.3(7).

These amendments will become effective on March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend rule 661—226.1(101) as follows:

661—226.1(101) General requirements. The provisions of the ~~International Fire Code, Chapter 38, 2009 edition, published by the International Code Council, 5203 Leesburg Pike, Suite 600, Falls Church, VA 22041~~ National Fire Protection Association, NFPA 54, ANSI Z223.1-2015 National Fuel Gas Code, 2015 edition, and NFPA 58, Liquefied Petroleum Gas Code, 2014 edition, published by the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02169-7471, and all references contained therein, are hereby adopted by reference as the general requirements for transportation, storage, handling, and use of liquefied petroleum gas, with the following amendments:

Delete section 3801.1 and insert in lieu thereof the following new section:

~~3801.1~~ Scope. Storage, handling and transportation of liquefied petroleum gas (LP-gas) and the installation of LP-gas equipment pertinent to systems for such uses shall comply with this chapter, NFPA 54, ANSI Z223.1-2009 National Fuel Gas Code, 2009 edition, and NFPA 58, Liquefied Petroleum Gas Code, 2008 edition, with the following amendments:

Amend NFPA 54, ANSI Z223.1-2009 2015 National Fuel Gas Code, 2009 2015 edition, as follows:

Delete section 7.3.5.2 and insert in lieu thereof the following new section:

7.3.5.2 Gas piping underground, outside a building, shall not be in physical contact with any concrete. Where it is necessary to install piping that will extend through or under an exterior concrete

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slab for connection to a regulator or other part of the system, before entering a building, the gas piping shall be sleeved. The sleeve shall extend through the concrete and be sealed only at the end extending above grade to prevent the entrance of insects, debris, or moisture. All piping, fittings, and risers shall be protected against corrosion in accordance with NFPA 54, National Fuel Gas Code, ~~2009~~ 2015 edition, section 5.6.6.

Delete section 8.2.1 and insert in lieu thereof the following new section:

8.2.1 Leak checks using fuel gas (propane vapor) shall be permitted in piping systems that have been pressure-tested in accordance with 661—subrule 226.5(1).

Amend NFPA 58, Liquefied Petroleum Gas Code, ~~2008~~ 2014 edition, as follows:

Properties of LP-gases shall be determined in accordance with Annex B of NFPA 58.

Delete section 4.3.1 and insert in lieu thereof the following new section:

4.3.1 Stationary installations. Where a stationary installation utilizes a storage container of more than 2,000 gallons (7,570 L) of individual water capacity, or the aggregate water capacity of storage containers is more than 4,000 gallons (15,140 L) in water capacity, the installer shall submit plans (Liquid Propane Plan – DIVISION OF STATE FIRE MARSHAL) for such installation to the state fire marshal for review and approval. Installation shall not commence until written approval from the state fire marshal has been received. The local fire department [city or county where the tank(s) is located] shall be advised of each installation.

Delete section 5.2.3 and insert in lieu thereof the following new section:

5.2.3 ~~DOT cylinders in stationary service that are filled on site and therefore are not under the jurisdiction of DOT shall be either requalified in accordance with DOT requirements or visually inspected within 12 years of the date of manufacture and every 5 years thereafter, in accordance with 5.2.3.1 through 5.2.3.3. The effective date for qualification and requalification requirements of this section shall be July 1, 2010.~~

~~5.2.3.1 Any cylinder that fails one or more of the criteria in 5.2.3.3 shall not be refilled or continued in service until the condition is corrected.~~

~~5.2.3.2 Personnel shall be trained and qualified to perform inspections. Initial and refresher training shall be in accordance with rule 661—226.4(101).~~

~~5.2.3.3 Visual inspection shall be performed in accordance with the following:~~

~~(A) The cylinder is checked for exposure to fire, dents, cuts, digs, gouges, and corrosion according to CGA C-6-2007, Standards for Visual Inspection of Steel Compressed Gas Cylinders, ninth edition, except that paragraph 5.2.1.1(1) of that standard (which requires tare weight verification) shall not be part of the required inspection criteria.~~

~~(B) The cylinder protective collar (where utilized) and the foot ring are intact and are firmly attached.~~

~~(C) The cylinder is painted or coated to retard corrosion.~~

~~(D) The cylinder pressure relief valve indicates no visible damage, corrosion of operating components, or obstructions.~~

~~(E) There is no leakage from the cylinder or its appurtenances that is detectable without the use of instruments.~~

~~(F) The cylinder is installed on a firm foundation and is not in contact with the soil.~~

~~(G) A cylinder that passes the visual examination shall be marked with the month and year of the examination followed by the letter “E” (for example, 10-01E, indicating requalification in October 2001 by the external inspection method) and the requalifier identification number (RIN) in accordance with the requalifying agency’s permit issued by the United States Department of Transportation.~~

~~(H) The results of the visual inspection shall be documented, and a record of the inspection shall be retained for a 5-year period or until the cylinder is again requalified, whichever occurs first.~~

5.2.3 Cylinders filled on site at the point of use.

5.2.3.1 DOT cylinders in stationary service that are filled on site at the point of use and, therefore, are not under the jurisdiction of DOT shall comply with one of the following criteria:

(1) The cylinders shall be requalified in accordance with DOT requirements.

(2) The cylinders shall be visually inspected within 12 years of the date of manufacture and within every 5 years thereafter, in accordance with 5.2.3.2 through 5.2.3.4.

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5.2.3.2 Any cylinder that fails to meet one or more of the criteria in 5.2.3.4 shall not be refilled or continued in service until the condition is corrected.

5.2.3.3 Personnel shall be trained and qualified to perform inspections. Training shall be documented in accordance with rule 661—226.4(101).

5.2.3.4 Visual inspection shall be performed in accordance with the following:

(1) The cylinder is checked for exposure to fire, dents, cuts, digs, gouges, and corrosion according to CGA C-6-2007, Standard for Visual Inspection of Steel Compressed Gas Cylinders, tenth edition, except that 5.2.1.1(1) of that standard (which requires tare weight verification) shall not be part of the required inspection criteria.

(2) The cylinder protective collar (where utilized) and the foot ring are intact and are firmly attached.

(3) The cylinder is painted or coated to minimize corrosion.

(4) The cylinder pressure relief valve indicates no visible damage, corrosion of operating components, or obstructions.

(5) There is no leakage from the cylinder or its appurtenances that is detectable without the use of instruments.

(6) The cylinder is installed on a firm foundation and is not in contact with the soil.

(7) A cylinder that passes the visual examination is marked with the month and year of the examination followed by the letter E (e.g., “10-01E,” indicating requalification in October 2001 by the external inspection method) and the requalifier identification number (RIN) in accordance with the requalifying agency’s permit issued by the DOT.

(8) The results of the visual inspection are documented, and a record of the inspection is retained for a 5-year period or until the cylinder is again requalified, whichever occurs first.

Delete section 6.6.7.1 and insert in lieu thereof the following new section:

6.6.7.1 Installation of permanent, stationary containers on roofs of buildings shall be prohibited.

Delete section 6.6.7.2.

Delete section 6.7.2.7 and insert in lieu thereof the following new section:

6.7.2.7 The pressure relief valve discharge on each aboveground container of more than 2000-gal (7.6 m³) water capacity shall be piped vertically upward to a point at least 7 ft (2.1 m) above the top of the container, and the discharge opening shall be unobstructed to the open air.

Delete section 6.9.3.14 and insert in lieu thereof the following new section:

~~**6.9.3.14** Underground metallic piping shall be protected against corrosion as warranted by soil conditions (see section 6.16). Underground gas piping that is outside a building shall not be in physical contact with any concrete.~~

6.9.3.14 Metallic piping shall be protected against corrosion in accordance with 6.9.3.14(A) through 6.9.3.14(C). Underground gas piping that is outside a building shall not be in physical contact with any concrete.

(A) Piping and tubing of 1-inch (25 mm) nominal diameter or smaller shall be protected in accordance with 6.17.1 or 6.17.2.

(B) Piping and tubing larger than 1-inch (25 mm) nominal diameter and installed aboveground shall be protected in accordance with 6.17.1.

(C) Steel piping larger than 1-inch (25 mm) nominal diameter installed underground shall have a cathodic protection system in accordance with 6.17.2(C) unless technical justification is approved by the authority having jurisdiction.

Delete sections 6.14, 6.14.1, 6.14.2, and 6.14.3 section 6.14 in its entirety.

Delete section 6.15 in its entirety.

Delete paragraph 6.19.1.2(C) and insert in lieu thereof the following new paragraph:

6.19.1.2(C) Cylinders installed permanently on roofs of buildings shall be prohibited.

Delete paragraph 6.20.1.2(C) and insert in lieu thereof the following new paragraph:

6.20.1.2(C) Cylinders installed permanently on roofs of buildings shall be prohibited.

Delete section 6.19.11.1, including paragraphs (A) through (F), and insert in lieu thereof the following new section:

6.19.11.1 Cylinders installed permanently on roofs of buildings shall be prohibited.

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Delete section 6.20.11.1, including paragraphs (A) through (F), and insert in lieu thereof the following new section:

6.20.11.1 Cylinders installed permanently on roofs of buildings shall be prohibited.

Delete section ~~6.19.11.2~~ 6.20.11.2.

Delete section 7.2.1.1 and insert in lieu thereof the following new section:

7.2.1.1 Transfer operations shall be conducted by qualified personnel meeting the provisions of rule 661—226.4(101).

Delete section 11.2 and insert in lieu thereof the following new section:

11.2 Each person engaged in installing, repairing, filling, or otherwise servicing an LP-gas engine fuel system shall be trained in accordance with rule 661—226.4(101) and trained under the applicable installation and maintenance procedures established by the manufacturer.

Delete section 3801.2.

Delete section 3801.3 and insert in lieu thereof the following new section:

3801.3 Construction documents. Where a single container is more than 2,000 gallons (7,570 L) in water capacity or the aggregate capacity of containers is more than 4,000 gallons (15,140 L) in water capacity, the installer shall submit construction documents for such installation to the fire marshal for review and approval. Installation shall not commence until written approval from the fire marshal has been received.

Delete section 3803.1 and insert in lieu thereof the following new section:

3803.1 General. LP-gas equipment shall be installed in accordance with NFPA 54, ANSI Z223.1-2009 National Fuel Gas Code, 2009 edition, and NFPA 58, Liquefied Petroleum Gas Code, 2008 edition, except as otherwise provided in this chapter.

Delete section 3803.2.1.7 and insert in lieu thereof the following new section:

3803.2.1.7 Use for food preparation. Where approved, listed LP-gas commercial food service appliances are allowed to be used for food preparation within restaurants and in attended commercial food-catering operations in accordance with NFPA 54, ANSI Z223.1-2009 National Fuel Gas Code, 2009 edition, the International Mechanical Code, 2009 edition, and NFPA 58, Liquefied Petroleum Gas Code, 2008 edition.

Delete section 3803.3 and insert in lieu thereof the following new section:

3803.3 Location of equipment and piping. Equipment and piping shall not be installed in locations where such equipment and piping are prohibited by NFPA 54, ANSI Z223.1-2009 National Fuel Gas Code, 2009 edition.

Delete sections 3804 through 3804.4.

Delete section 3805.1 and insert in lieu thereof the following new section:

3805.1 Nonapproved equipment. LP-gas shall not be used for the purpose of operating devices or equipment unless such device or equipment is approved for use with LP-gas in accordance with NFPA 58, Liquefied Petroleum Gas Code, 2008 edition, sections 1.5 through 1.5.3.

Delete section 3806.1 and insert in lieu thereof the following new section:

3806.1 Attendants. Transfer operations shall be conducted by qualified personnel meeting the provisions of rule 661—226.4(101).

Amend sections 3803.2.1.6, 3809.3, and 3809.9, exception 3 to section 308.1.4, and the exception to section 3809.7 by deleting the phrase “water capacity of 2½ pounds” and inserting in lieu thereof the phrase “water capacity of 2.7 pounds.”

Delete section 3809.10 and insert in lieu thereof the following new section:

3809.10 Storage within buildings not accessible to the public. The maximum quantity allowed in one storage location in buildings not accessible to the public, such as industrial buildings, shall not exceed a water capacity of 735 pounds (334 kg) (nominal 300 pounds (136 kg) of LP-gas). Where additional storage locations are required on the same floor within the same building, they shall be approved by the authority having jurisdiction. Storage beyond these limitations shall comply with section 3809.11.

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ITEM 2. Amend rule 661—226.4(101) as follows:

661—226.4(101) Qualifications of personnel.

226.4(1) Persons who transfer liquefied petroleum gas, who are employed to transport liquefied petroleum gas, or whose primary duties fall within the scope of this chapter shall be trained in proper handling and emergency response procedures.

a. Training shall include both initial training and refresher training that addresses but is not limited to safe work practices, the health and safety hazards of liquefied petroleum gas, emergency response procedures, and supervised on-the-job training.

(1) Initial training shall include participation in a training program and shall include both a written qualification assessment (closed-book test) and a skills assessment, based on the objectives set forth in the recognized training program and the requirements of NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, NFPA 58 Liquefied Petroleum Gas Code, ~~2008~~ 2014 edition, and any applicable requirements established in this chapter.

(2) Refresher training shall include both a written qualification assessment (closed-book test) and a hands-on skills assessment based on requirements of NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, NFPA 58 Liquefied Petroleum Gas Code, ~~2008~~ 2014 edition, and any applicable requirements established in this chapter.

(3) to (5) No change.

b. No change.

226.4(2) Persons who install, service, test, or maintain propane gas utilization equipment, or gas piping systems of which the equipment is a part, or accessories shall be trained in the proper procedures in accordance with applicable codes.

a. Initial training shall include participation in a training program and shall include both a written qualification assessment (closed-book test) and a skills assessment, based on the objectives set forth in the recognized training program and the requirements of NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, NFPA 58 Liquefied Petroleum Gas Code, ~~2008~~ 2014 edition, and this chapter.

b. Refresher training shall include both a written qualification assessment (closed-book test) and a hands-on skills assessment based on requirements of NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, NFPA 58 Liquefied Petroleum Gas Code, ~~2008~~ 2014 edition, and this chapter.

c. to f. No change.

226.4(3) All training programs shall be instructor-led by a competent trainer.

~~226.4(3)~~ **226.4(4)** Successful completion of the written qualification assessment and hands-on skills assessment shall satisfy the refresher training requirements of subrules 226.4(1) and 226.4(2).

ITEM 3. Amend rule 661—226.5(101) as follows:

661—226.5(101) Pressure testing.

226.5(1) Pressure testing required. After assembly and after any modification or repair, metallic LP-gas piping and hose shall be pressure-tested as follows:

a. Piping systems having operating pressures greater than 20 psig shall be pressure-tested in accordance with the following:

(1) Prior to acceptance and initial operation, all piping installations shall be visually inspected and pressure-tested to determine that the materials, design, fabrication, and installation practices comply with the requirements of this chapter.

(2) Inspection shall consist of visual examination, during or after manufacture, fabrication, assembly, or pressure tests as appropriate. ~~Supplementary types of nondestructive inspection techniques, such as magnetic particle, radiographic, and ultrasonic, shall not be required unless specifically required in this chapter or a standard or code adopted by reference in this chapter or in the engineering design.~~

(3) and (4) No change.

(5) A piping system shall be tested as a complete unit or in sections. A valve in a line shall not be used as a bulkhead between gas in one section of the piping system and test medium in an adjacent section, ~~unless two valves are installed in series with a valved “telltale” located between these valves a~~

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double block and bleed valve is installed. A valve shall not be subjected to the test pressure unless it can be determined that the valve, including the valve-closing mechanism, is designed to safely withstand the pressure applied during the test.

(6) No change.

(7) Prior to testing the system, the interior of the pipe shall be cleared of all foreign material.

~~(7)~~ (8) The test medium shall be air, nitrogen, carbon dioxide, or an inert gas. Oxygen shall not be used.

~~(8)~~ (9) Test pressure shall be measured with a pressure-measuring device designed and calibrated to read, record, or indicate a pressure loss due to leakage during the pressure test period. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.

~~(9)~~ (10) The test pressure to be used shall be no less than 50 psi and shall not exceed 75 psi.

~~(10)~~ (11) Expansion joints shall be provided with temporary restraints, if required, for the additional thrust load under test.

~~(11)~~ (12) Appliances and equipment that are not to be included in the test shall be either disconnected from the piping or isolated by blanks, blind flanges, or caps. Flanged joints at which blinds are inserted to blank off other equipment during the test shall not be required to be tested.

~~(12)~~ (13) Where the piping system is connected to appliances or equipment designed for operating pressures of less than the test pressure, such appliances or equipment shall be isolated from the piping system by disconnecting them and capping the outlet(s).

~~(13)~~ (14) Where the piping system is connected to appliances or equipment designed for operating pressures equal to or greater than the test pressure, such appliances or equipment shall be isolated from the piping system by closing the individual appliance or equipment shutoff valve(s).

~~(14)~~ (15) All testing of piping systems shall be ~~done with due regard for the safety of employees and the public during the test. Bulkheads, anchorage, and bracing suitably designed to resist test pressures shall be installed if necessary. Prior to testing, the interior of the pipe shall be cleared of all foreign material~~ performed in a manner that protects the safety of employees and the public during the test.

~~(15)~~ (16) Test duration shall be not less than one-half hour for each 500 ft³ (14 m³) of pipe volume or fraction thereof. The duration of the test shall not be required to exceed 24 hours.

EXCEPTION: When a system having a volume of less than 10 ft³ (0.28 m³) is tested, the test duration shall be a minimum of 10 minutes.

b. Piping systems having operating pressures of 20 psig or less, all polyethylene and polyamide piping, and piping to which NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, is applicable shall be tested in accordance with that code.

226.5(2) Testing for leakage. Immediately after the gas is turned on into a new system or into a system that has been initially restored after an interruption of service, the piping system shall be checked for leakage in accordance with this chapter and Section 8.2 of NFPA 54, National Fuel Gas Code, ~~2009~~ 2015 edition. Where leakage is indicated, the gas supply shall be shut off until the necessary repairs have been made.

a. All LP-gas piping systems that have operating pressures of 20 psig or less and all polyethylene and polyamide piping shall have system and equipment leakage tests performed in accordance with this chapter and Section 8.2 of NFPA 54, National Fuel Gas Code, ~~2009~~ 2015 edition.

b. and c. No change.

226.5(3) No change.

226.5(4) Out-of-gas customers or interruption of service system start-up procedure. When a delivery of propane is made to any on-site container which is out of gas, or if propane service was interrupted, the delivery person shall comply with the following procedures.

a. No change.

b. When the "out-of-gas customer" is present:

(1) The container service valve shall be shut off; and

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(2) The gas customer shall be informed that the container is out of service and a qualified person must perform a leak check or other test on the system as required by this chapter or Section 8.2 of NFPA 54 National Fuel Gas Code, ~~2009~~ 2015 edition, before turning on the container service valve. Further action is the responsibility of the customer.

ITEM 4. Amend rule 661—226.8(101) as follows:

661—226.8(101) Installation and use of DOT specification MC330 or MC331 cargo tanks in stationary service. The installation and use of DOT specification MC330 or MC331 cargo tanks in stationary service shall be in accordance with NFPA 58, ~~2008~~ 2014 edition, and this chapter.

226.8(1) to 226.8(3) No change.

ITEM 5. Adopt the following new rule 661—226.9(101):

661—226.9(101) NFPA standards. To the extent that NFPA standards are inconsistent with International Fire Code standards, the NFPA standards shall control.

[Filed 1/18/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1867C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Pursuant to the authority of Iowa Code section 103.6 and 2014 Iowa Acts, chapter 1116, division VI, the Electrical Examining Board hereby adopts new Chapter 506, "Military Service and Veteran Reciprocity," Iowa Administrative Code.

The Electrical Examining Board is authorized under Iowa Code section 103.6 to adopt administrative rules governing all aspects of the licensing of electricians and electrical contractors and of the state electrical inspection program. This amendment adopts rules related to the Home Base Iowa Act, 2014 Iowa Acts, Senate File 303, codified at Iowa Code section 272C.4.

The Home Base Iowa initiative is focused on matching veterans with good, high-paying jobs in Iowa. The Occupational Employment Statistics (OES) Wage Survey shows that Iowa electricians have an average annual income of \$46,980, which is higher than the average for all occupations. National statistics provide similar conclusions about electricians across the United States.

The United Services Military Apprenticeship Program (USMAP), a partnership between the U.S. Department of Labor (DOL) and the military, allows service members to use their on-duty experience to earn journeyman status in a trade. USMAP is a formal military training program executed by the Center for Personal and Professional Development that provides active duty Coast Guard, Marine Corps, and Navy service members the opportunity to improve their job skills and to complete their civilian apprenticeship requirements while they are on active duty. DOL provides the nationally recognized Certificate of Completion upon program completion. Originally established in 1976 as a Navy program, the three Sea Services merged into a single program registered with DOL (N-93063) in April 2000. USMAP allows active duty service members to complete a DOL apprenticeship program while serving their country.

The objective of the National Apprenticeship Standards for USMAP is to provide registered certification of the training of the individual military service member and to achieve recognition for the military service member equal to the service member's civilian counterpart. USMAP supports apprenticeship training in 125 occupations, including electricians.

Electrical work in military settings is similar to the work performed by civilian electricians, including lighting hospitals, running power tools, and operating computers. In military assignments, personnel may serve as building electricians who install and repair electrical wiring systems in offices, repair shops,

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airplane hangars, and other buildings on military bases. Building electricians in the military may install and wire transformers, junction boxes, and circuit breakers using wire cutters, insulation strippers, and other hand tools; read blueprints, wiring plans, and repair orders to determine wiring layouts or repair needs; cut, bend, and string wires and conduits (pipe or tubing); inspect power distribution systems, shorts in wires, and faulty equipment using test meters; repair and replace faulty wiring and lighting fixtures; and install lightning rods to protect electrical systems.

Military job training also is similar to civilian training, consisting of classroom instruction and practice in the installation and repair of electrical wiring systems. Further training occurs on the job and through advanced courses. Course content typically includes fundamentals of electricity, electrical circuit troubleshooting, safety procedures, and techniques for wiring switches, outlets, and junction boxes. These same skills are learned in civilian training programs.

The training and experience that veterans receive as part of their military duties can be translated well into the civilian sector. Veterans who locate in or come home to Iowa to work should have their skills recognized in the licensing system for electricians.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1725C** on November 12, 2014, and a public hearing was held on December 2, 2014. No public input was received, and the adopted rules are identical to those proposed under Notice of Intended Action.

Rules of the Electrical Examining Board are subject to the waiver provisions of rule 661—501.5(103). The Board does not have authority to waive requirements established by statute.

After analysis and review of this rule making, there will be a positive impact on jobs due to the expedited process of issuing reciprocal and provisional licenses to veterans who locate in or return to Iowa.

These rules are intended to implement Iowa Code sections 103.6 and 272C.4 and 2014 Iowa Acts, chapter 1116, division VI.

These rules will become effective on March 25, 2015.

The following amendment is adopted.

Adopt the following **new** 661—Chapter 506:

CHAPTER 506
MILITARY SERVICE AND VETERAN RECIPROCITY

661—506.1(85GA,ch1116) Definitions.

“*Board*” means the electrical examining board established in Iowa Code section 103.2.

“*Military service*” means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

“*Military service applicant*” means an individual requesting credit toward licensure for military education, training, or service obtained or completed in military service.

“*Veteran*” means an individual who meets the definition of “veteran” in Iowa Code section 35.1(2).

661—506.2(85GA,ch1116) Military education, training, and service credit. A military service applicant may apply for credit for verified military education, training, or service toward any experience or educational requirement for licensure by submitting a military service application form to the board office.

506.2(1) The application may be submitted with an application for licensure or examination, or prior to applying for licensure or to take an examination. No fee is required for the submission of an application for military service credit.

506.2(2) The applicant shall identify the experience or educational licensure requirement to which the credit would be applied if granted. Credit shall not be applied to an examination requirement.

506.2(3) The applicant shall provide documents, military transcripts, a certified affidavit, or forms that verify completion of the relevant military education, training, or service, which may include, when

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applicable, the applicant's Certificate of Release or Discharge from Active Duty (DD Form 214) or Verification of Military Experience and Training (VMET) (DD Form 2586).

506.2(4) Upon receipt of a completed military service application, the board shall promptly determine whether the verified military education, training, or service will satisfy all or any part of the identified experience or educational licensure requirement.

506.2(5) The board shall grant credit requested in the application in whole or in part if the board determines that the verified military education, training, or service satisfies all or part of the experience or educational qualifications for licensure.

506.2(6) The board shall inform the military service applicant in writing of the credit, if any, given toward an experience or educational qualification for licensure, or explain why no credit was granted. The applicant may request reconsideration.

506.2(7) A military service applicant who is aggrieved by the board's decision may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. There shall be no fees or costs assessed against the military service applicant in connection with a contested case conducted pursuant to this subrule.

506.2(8) The board shall grant or deny the military service application prior to ruling on the application for licensure. The applicant shall not be required to submit any fees in connection with the licensure application unless the board grants the military service application. If the board does not grant the military service application, the applicant may withdraw the licensure application or request that the application be placed in pending status for up to one year or as mutually agreed. The withdrawal of a licensure application shall not preclude subsequent applications supported by additional documentation or information.

661—506.3(85GA,ch1116) Veteran reciprocity.

506.3(1) A veteran with an electrical license in another jurisdiction may apply for licensure in Iowa through reciprocity, based on the reciprocity procedures for licensed electricians as set out in the administrative rules in effect at the time that the application is made, and in compliance with any agreements with other jurisdictions regarding reciprocity. A veteran must pass any examinations required for licensure to be eligible for licensure through reciprocity. A fully completed application for licensure submitted by a veteran under this subrule shall be given priority and shall be expedited.

506.3(2) An application shall contain all of the information required of all applicants for licensure who hold unrestricted licenses in other jurisdictions and who are applying for licensure by reciprocity, including, but not limited to, completion of all required forms, payment of applicable fees, disclosure of criminal or disciplinary histories and, if applicable, a criminal history background check. In addition, the applicant shall provide such documentation as is reasonably needed to verify the applicant's status as a veteran under Iowa Code section 35.1(2).

506.3(3) Upon receipt of a fully completed licensure application, the board shall promptly determine if the licensing requirements of the jurisdiction where the veteran is licensed are substantially equivalent to the licensing requirements in Iowa. The board shall make this determination based on information supplied by the applicant and such additional information as the board may acquire from the applicable jurisdiction. The board may consider the following factors in determining substantial equivalence: scope of practice, education and coursework, degree requirements, and postgraduate experiences.

506.3(4) The board shall promptly grant a license to the veteran if the veteran is licensed in the same or similar profession in another jurisdiction whose licensure requirements are substantially equivalent to those required in Iowa, unless the applicant is ineligible for licensure based on other grounds, for example, the applicant's disciplinary or criminal background.

506.3(5) If the board determines that the licensure requirements in the jurisdiction in which the veteran is licensed are not substantially equivalent to those required in Iowa, the board shall promptly inform the veteran of the additional experience, education, or examinations required for licensure in Iowa. Unless the applicant is ineligible for licensure based on other grounds, such as disciplinary or criminal background, the following shall apply:

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a. If a veteran has not passed the required examination(s) for licensure, the veteran may not be issued a provisional license but may request that the application be placed in pending status for up to one year or as mutually agreed to provide the veteran with the opportunity to satisfy the examination requirements.

b. If additional experience or education is required for the applicant's qualifications to be considered substantially equivalent, the applicant may request that the board issue a provisional license for a specified period of time during which the applicant will successfully complete the necessary experience or education. The board shall issue a provisional license for a specified period of time upon such conditions as the board deems reasonably necessary to protect the health, welfare or safety of the public unless the board determines that the deficiency is of a character that the public health, welfare or safety will be adversely affected if a provisional license is granted.

c. If a request for a provisional license is denied, the board shall issue an order fully explaining the decision and shall inform the applicant of the steps the applicant may take in order to receive a provisional license.

d. If a provisional license is issued, the application for full licensure shall be placed in pending status until the necessary experience or education has been successfully completed or the provisional license expires, whichever comes first. The board may extend a provisional license on a case-by-case basis for good cause.

506.3(6) A veteran who is aggrieved by the board's decision to deny an application for a reciprocal license or a provisional license or is aggrieved by the terms under which a provisional license will be granted may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. There shall be no fees or costs assessed against the military service applicant in connection with a contested case conducted pursuant to this subrule.

These rules are intended to implement 2014 Iowa Acts, chapter 1116, division VI.

[Filed 1/18/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1876C

RACING AND GAMING COMMISSION[491]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 99D.7 and 99F.4, the Racing and Gaming Commission hereby amends Chapter 5, "Track and Excursion Boat Licensees' Responsibilities," Chapter 8, "Wagering and Simulcasting," Chapter 10, "Thoroughbred and Quarter Horse Racing," Chapter 11, "Gambling Games," and Chapter 12, "Accounting and Cash Control," Iowa Administrative Code.

Item 1 removes references to the gambler's treatment fund since this fund no longer exists.

Item 2 clarifies requirements for peace officer presence at a licensed facility.

Item 3 clarifies that month-end reports are no longer required.

Item 4 adds a requirement for an independent network security assessment to be done biennially and submitted to the administrator of the Commission for review.

Item 5 changes the word "shall" to "may" with regard to utilizing trifecta wagering in certain circumstances.

Item 6 requires that a notice be included in the daily program to alert patrons of the additional weight of the safety equipment worn by the jockey.

Item 7 adds microchipping as an option for identification of horses.

Item 8 rescinds subparagraph 10.5(1)"a"(28) and adopts in lieu thereof a new subparagraph to conform to national model rule language regarding a trainer's responsibility to provide to horse owners

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notification of license suspension, denial or revocation. The amendment does not change the substance of the requirement.

Item 9 adds a new paragraph 10.6(1)“c” pertaining to the size of the toe grabs on the front shoes of the racing animal.

Item 10 allows a licensed designee of the owner or trainer to make entries.

Item 11 clarifies limitations on coupling entries.

Item 12 reduces the number of betting interests from eight to seven for a horse to be permitted to be scratched from a race without reason or penalty.

Item 13 changes when the scratch time will be determined.

Item 14 amends subparagraph 10.6(18)“k”(1) so that a horse’s last official start was a start in which the horse was eligible to be claimed.

Item 15 rescinds a provision relating to waived claiming rules to conform to industry standards.

Item 16 allows for multistate wide area progressive slot machine systems, subject to agreement between the participating states.

Item 17 removes references to using three copies for a credit slip since three copies are no longer utilized.

These amendments were published under Notice of Intended Action in the December 10, 2014, Iowa Administrative Bulletin as **ARC 1770C**. A public hearing was held on December 30, 2014.

One change has been made since the amendments were published under Notice of Intended Action: subrule 5.4(21) has been revised as a result of comments received from the gaming industry. Subrule 5.4(21) now reads as follows:

“5.4(21) Network security.

“a. The licensee shall biennially submit the results of an independent network security risk assessment to the administrator for review, subject to the following requirements:

“(1) The testing organization must be independent of the licensee and shall be qualified by the administrator.

“(2) The network security risk assessment shall be conducted no later than 90 days after the start of the licensee’s fiscal year in each year an assessment is required.

“(3) Results from a network security risk assessment shall be submitted to the administrator no later than 90 days after the assessment is conducted.

“b. At the discretion of the administrator, additional network security risk assessments may be required.”

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 99D and 99F.

These amendments will become effective March 25, 2015.

The following amendments are adopted.

ITEM 1. Amend subrules 5.2(1) and 5.2(2) as follows:

5.2(1) The annual audit report required by Iowa Code section 99D.20 shall include a schedule detailing the following information: number of performances; attendance; regulatory fee; total mutuel handle and taxes paid to the state, city, and county ~~and gambler’s treatment fund~~; unclaimed winnings; purses paid indicating sources; total breakage and disbursements; and the disbursements of 1 percent of exotic wagers on three or more racing animals.

5.2(2) The annual audit report required by Iowa Code section 99F.13 shall include:

a. A schedule detailing a weekly breakdown of adjusted gross revenue; taxes paid to the state, city, county, and county endowment fund, ~~and gambler’s treatment fund~~; and regulatory fees.

b. A report on whether material weaknesses in internal accounting control exist.

c. A report on whether the licensee has followed the system of internal accounting control approved by the administrator.

ITEM 2. Amend paragraph **5.4(5)“a”** as follows:

a. *Peace officer.* Each licensee shall ensure that a person who is a certified peace officer is present ~~during all gaming hours, unless permission is otherwise granted by the administrator~~ as outlined in the

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facility's security plan approved by the commission. A certified peace officer pursuant to this rule must be employed by a law enforcement agency and have police powers.

ITEM 3. Amend paragraph **5.4(10)“b”** as follows:

b. Submission of taxes and fees. All moneys collected for and owed to the commission or state of Iowa under Iowa Code chapter 99F shall be accounted for and itemized on a weekly basis in a format approved by the commission. Each day on the report shall be an accurate representation of the gaming activities. A week shall begin on Monday and end on Sunday. The reporting form must be received in the commission office by noon on Wednesday following the week's end. The moneys owed, according to the reporting form, must be received in the treasurer's office by 11 a.m. on the Thursday following the week's end. ~~Additionally, each licensee shall file a monthly report indicating adjusted gross receipts received from gambling games, total number of admissions, and amount of regulatory fees paid. These reports shall be by calendar month and filed by noon on the first Wednesday following the end of the month unless the end of the month is a Monday or Tuesday, in which case the reports shall be filed by noon on the second Wednesday following the end of the month.~~

ITEM 4. Adopt the following new subrule 5.4(21):

5.4(21) Network security.

a. The licensee shall biennially submit the results of an independent network security risk assessment to the administrator for review, subject to the following requirements:

(1) The testing organization must be independent of the licensee and shall be qualified by the administrator.

(2) The network security risk assessment shall be conducted no later than 90 days after the start of the licensee's fiscal year in each year an assessment is required.

(3) Results from the network security risk assessment shall be submitted to the administrator no later than 90 days after the assessment is conducted.

b. At the discretion of the administrator, additional network security risk assessments may be required.

ITEM 5. Amend paragraph **8.2(13)“g”** as follows:

g. ~~Shall~~ May prohibit trifecta wagering on any contest with five or fewer betting interests scheduled to start, or as provided in subparagraph 8.2(13)“g”(1) below:

(1) and (2) No change.

ITEM 6. Amend paragraph **10.4(5)“f”** as follows:

f. Daily program. The racing secretary shall publish the official daily program, ensuring the accuracy therein of the following information:

(1) to (5) No change.

(6) The identification of each horse by name, color, sex, age, sire and dam; ~~and~~

(7) A notice that all jockeys will carry approximately three pounds more than the published weight to account for safety equipment (vest and helmet) that is not included in required weighing-out procedures; and

~~(7)~~ (8) Such other information as may be requested by the association or the commission.

ITEM 7. Amend paragraph **10.4(7)“d”** as follows:

d. Supervise the tattooing, microchipping or branding for identification of any horse located on facility premises; and

ITEM 8. Rescind subparagraph **10.5(1)“a”(28)** and adopt the following new subparagraph in lieu thereof:

(28) Notifying horse owners upon the revocation or suspension of their trainer's license. A trainer whose license has been suspended for more than 30 days, whose license has expired or been revoked, or whose license application has been denied must inform the horse owners that, until the license is restored, the trainer can no longer be involved with the training, care, custody or control of their horses, nor receive any compensation from the owners for the training, care, custody or control of their horses. Upon application by the horse owner, the stewards may approve the transfer of such horse(s) to the care

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of another licensed trainer, and upon such approved transfer, such horse(s) may be entered to race. Upon transfer of such horse(s), the inactive trainer shall not be involved in any arrangements related to the care, custody or control of the horse(s) and shall not benefit financially or in any other way from the training of the horse(s).

ITEM 9. Adopt the following new paragraph **10.6(1)“c”**:

c. A horse is ineligible to start in a race when:

(1) A thoroughbred has shoes (racing plates) which have toe grabs with a height greater than two millimeters (0.07874 inches), bends, jars, caulks, stickers or any other traction device on the front hooves while racing or training on all racing surfaces.

(2) A quarter horse has front shoes which have toe grabs with a height greater than four millimeters (0.15748 inches), bends, jars, caulks, stickers or any other traction device worn on the front shoes.

ITEM 10. Amend paragraph **10.6(2)“a”** as follows:

a. The facility shall provide forms for making entries and declarations with the racing secretary. Entries and declarations shall be in writing, or by telephone or fax subsequently confirmed in writing by the owner, trainer, or ~~authorized agent~~ licensed designee. When any entrant or nominator claims failure or error in the receipt by a facility of any entry or declaration, the entrant or nominator may be required to submit evidence within a reasonable time of the filing of the entry or the declaration. Individuals who hold a jockey agent license, regardless of other licenses held, shall not be permitted to make entries after a time set by the stewards.

ITEM 11. Rescind paragraph **10.6(2)“c”** and adopt the following new paragraph in lieu thereof:

c. Coupling. There will be no coupled entries in any race. In races that overfill, trainers must declare preference of runners with identical ownership at time of entry. Same-owner, second-choice horses will be least preferred.

ITEM 12. Amend paragraph **10.6(8)“c”** as follows:

c. *Limitation on scratches*. No horse shall be permitted to be scratched from a race if the horses remaining in the race number fewer than ~~eight~~ seven betting interests, unless the stewards permit a lesser number. When the number of requests to scratch would, if granted, leave a field of fewer than ~~eight~~ seven, the stewards shall determine by lot which entrants may be scratched and permitted to withdraw from the race.

ITEM 13. Amend subparagraph **10.6(8)“d”(2)** as follows:

(2) Other races. Scratch time shall be ~~no later than 10 a.m. of the day of the race~~ set by the stewards prior to the start of the meet.

ITEM 14. Amend paragraph **10.6(18)“k”** as follows:

k. *Waived claiming rule*.

~~(1)~~ At the time of entry into claiming races, the owner, trainer, or any authorized agent may opt to declare a horse ineligible to be claimed provided:

~~1-~~ (1) The horse has not been an official starter at any racetrack for a minimum of 120 days since the horse's last race as an official starter (at time of race);

~~2-~~ (2) The horse's last race as an official starter was ~~a claiming race~~ one in which the horse was eligible to be claimed;

~~3-~~ (3) The horse is entered for a claiming price equal to or greater than the claiming price at which the horse last started as an official starter;

4- (4) Failure of declaration of ineligibility at time of entry may not be remedied; and

~~5-~~ (5) Ineligibility to be claimed shall apply only to the horse's first start as an official starter following each such 120-day or longer layoff.

~~(2) Any win which occurs in a claiming race by a horse ineligible to be claimed under waived claiming rules of this, or any other, jurisdiction will be treated as an allowance win for the determination of the horse's eligibility and allowances for every race at the meet, unless the conditions of the race specify otherwise.~~

RACING AND GAMING COMMISSION[491](cont'd)

ITEM 15. Rescind subrule 11.12(8) and adopt the following **new** subrule in lieu thereof:

11.12(8) *Wide area progressive systems.* A wide area progressive system is a method of linking progressive slot machines or electronic gaming machines by secured data communication as part of a network that connects participating facilities. The purpose of a wide area progressive system is to offer a common progressive jackpot (system jackpot) at all participating locations within Iowa or in multiple states. The operation of a wide area progressive system (multilink) is permitted, subject to the following conditions:

a. The provider of a multilink (provider) shall be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator of gambling games within the state of Iowa. No entity shall be licensed for the sole purpose of providing a multilink.

b. Prior to operation of a multilink, the provider shall submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include, but is not limited to, the following:

(1) Central system site location, specifications, and operational procedures.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining meter data from slot machines on the multilink.

(4) Disbursement options for jackpot payoffs, including information for periodic payments. Periodic payment information, including number of payments and time between payments must be displayed as part of the slot machine pay table or prominently displayed on the face of the slot machine.

(5) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(6) Jackpot verification procedures.

(7) Jackpot discontinuation procedures, including procedures for distribution of contributions to another jackpot or return of pro rata shares to participating facilities.

c. The provider of the multilink shall, upon request, supply reports and information to the administrator which detail the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports that show both the economic activity of the entire multilink, as well as details of each machine on the multilink.

(2) Upon invoicing a facility, details regarding each machine at the facility and each machine's contribution to the multilink for the period of the invoice shall be supplied, as well as any other details required by the administrator.

d. Concurrent jackpots which occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner shall receive the full amount shown on the system jackpot meter.

e. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

f. A meter that shows the amount of the system jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters shall not display an incorrect amount for an awarded jackpot.

g. In calculating adjusted gross receipts, a facility may deduct its pro rata share of the present value of any system jackpots awarded. Such deduction shall be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount of coin-in from that facility's machines on the multilink, compared to the total amount of coin-in on the whole system for the time period between awarded jackpots.

h. In the event a facility ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, the facility may not file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

RACING AND GAMING COMMISSION[491](cont'd)

i. The payment of any system jackpot offered on a multilink shall be administered by the provider, and the provider shall have sole liability for payment of any system jackpot the provider administers.

j. The provider shall comply with the following:

(1) A reserve shall be established and maintained by the provider in an amount of not less than the sum of the following amounts:

1. The present value of the aggregate remaining balances owed on all jackpots previously won by patrons on the multilink.

2. The present value of the amount currently reflected on the jackpot meters of the multilink.

3. The present value of one additional reset (start amount) of the multilink.

(2) The reserve shall continue to be maintained until all payments owed to winners of the system jackpots have been made.

(3) For system jackpots disbursed in periodic payments, any qualified investment shall be purchased within 90 days following notice of the win of the system jackpot, and a copy of such qualified investment shall be provided to the administrator within 30 days of purchase. Any qualified investment shall have a surrender value at maturity, excluding any interest paid before the maturity date, equal to or greater than the value of the corresponding periodic jackpot payment and shall have a maturity date prior to the date the periodic jackpot payment is required to be made.

(4) The provider shall not be permitted to sell, trade, or otherwise dispose of any qualified investments prior to their maturity unless approval to do so is first obtained from the administrator.

(5) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by subparagraph 11.12(8)“*j*”(1) above, the provider must immediately notify the administrator of such event. An event of noncompliance includes a nonpayment of a jackpot periodic payment or a circumstance which may cause the provider to be unable to fulfill, or which may otherwise impair the provider’s ability to satisfy, the provider’s jackpot payment obligations.

(6) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves required under subparagraph 11.12(8)“*j*”(1) above. The calculation shall come with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

(7) The reserve required under subparagraph 11.12(8)“*j*”(1) must be examined by an independent certified public accountant according to procedures approved by the administrator. Two copies of the report must be submitted to the administrator within 90 days after the conclusion of the provider’s fiscal year.

k. For system jackpots disbursed in periodic payments, subsequent to the date of the win, a winner may be offered the option to receive, in lieu of periodic payments, a discounted single cash payment in the form of a “qualified prize option,” as that term is defined in Section 451(h) of the Internal Revenue Code. The provider shall calculate the single cash payment based on the discount rate. Until the new discount rate becomes effective, the discount rate selected by the provider shall be used to calculate the single cash payment for all qualified prizes that occur subsequent to the date of the selected discount rate.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

ITEM 16. Amend subrule 12.7(3) as follows:

12.7(3) *Removal of chips from a gaming table.* On receipt of a slip in the cashier’s cage for removal of gaming chips from a table, the following procedures shall apply:

a. A security employee, or other employee authorized by the internal controls, shall transfer all copies of the slip to the gaming table.

b. The dealer or boxperson assigned to the gaming table and the casino supervisor assigned to the gaming table shall prepare the removal and sign all copies of the slip attesting to the accuracy.

c. The security employee, or other employee authorized by internal controls, shall compare the slip to the gaming chips prepared and sign all copies of the slip attesting to the accuracy.

RACING AND GAMING COMMISSION[491](cont'd)

~~d. When using three copies, one~~ One copy of the slip shall be immediately placed in public view ~~on the container of the gaming table from which the gaming chips were removed. The copy shall not be removed until a slip is returned from the cashier.~~

e. The security employee, or other employee authorized by internal controls, shall transport the chips and the remaining ~~two copies~~ copy of the slip to the cashier's cage.

f. The cashier shall compare this copy of the slip to the gaming chips received and shall sign ~~both remaining copies~~ the copy attesting to the accuracy. ~~One~~ This copy of the slip shall be maintained and controlled by the cashier.

~~g. The security employee, or other employee authorized by internal controls, shall transport the slip to the gaming table and shall observe as the dealer or boxperson places both this copy and the copy required by paragraph 12.7(3) "d" into the container of the gaming table.~~

[Filed 1/23/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1883C

REVENUE DEPARTMENT[701]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 17A.3 and 421.14, the Department of Revenue hereby amends Chapter 49, "Estimated Income Tax for Individuals," Iowa Administrative Code.

The rules in Chapter 49 implement the payment of estimated income tax for individual withholding. This amendment removes the requirement that the Department of Revenue mail a preaddressed estimate tax form to all resident taxpayers who filed an estimate tax form in the prior year. This amendment is in response to suggestions from the tax preparer community that mailing preaddressed estimate tax forms to all residents who filed in the prior year is no longer necessary. For tax year 2014, this amendment allows the Department of Revenue to forego printing and mailing 110,000 estimate tax forms, which will save Iowa taxpayers approximately \$1,935 in printing costs and \$44,000 in postage costs for a total savings of \$45,935.

Notice of Intended Action was published in IAB Vol. XXXVII, No. 10, p. 841, on November 12, 2014, as **ARC 1726C**. No comments were received from the public. This amendment is identical to that published under Notice.

After analysis and review of this rule making, no adverse impact on jobs has been found.

This amendment is intended to implement Iowa Code section 422.16.

This amendment will become effective on March 25, 2015.

The following amendment is adopted.

Amend subrule 49.5(1) as follows:

49.5(1) Resident forms. ~~Resident taxpayers who have filed a prior year estimate tax form will receive by mail a preaddressed estimate tax reporting form. Blank estimate tax forms are available from the department for those individuals resident taxpayers making state estimate payments for the first time or when the preaddressed form is misplaced or lost.~~

[Filed 1/26/15, effective 3/25/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.

ARC 1882C

VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

Adopted and Filed

Pursuant to the authority of Iowa Code chapter 15H and section 17A.3 and Executive Order 48, the Iowa Commission on Volunteer Service hereby adopts amendments to Chapter 7, “Retired and Senior Volunteer Program (RSVP),” Iowa Administrative Code.

Notice of Intended Action for these amendments was published in the March 19, 2014, Iowa Administrative Bulletin as **ARC 1386C**. The proposed amendments described a new funding distribution and reporting process and were intended to bring the rules up to date.

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on June 11, 2014, as **ARC 1492C**. The Amended Notice proposed to change language in Item 3 to provide further clarification of the terms and requirements for volunteer management and in Item 4 to clarify the distribution of funds and the time line for implementation and to allow for an exception in cases of demonstrated hardship. The Amended Notice was the result of stakeholder feedback and input requesting clarity and requesting that the rules reflect up-to-date requirements and processes.

In Item 3 of the Amended Notice, the term “active” was added to better define volunteers, and the requirement to submit a volunteer roster was removed. Furthermore, the volunteer management training reporting requirements were changed to require that the number of attendees and that the number reporting that the training increased their relevant knowledge be reported.

In Item 4 of the Amended Notice, the first paragraph was revised to indicate that the base level formula for funding applies to established programs and that a new base level is established each year. The paragraph further clarified how relinquished and new program funding will be distributed. In the second paragraph, the dollar value of the threshold per volunteer was removed, as the Commission will set the amount on an annual basis. The word “may” was added to qualify that program’s funds may be reduced if the threshold is not met, and a timeline by which the threshold must be met was clarified. A clause was added to allow for exceptions due to hardships that may be other than financial in nature.

A public hearing was held on Tuesday, July 8, 2014, and five comments were received. The comments related to continued concerns about the following areas: training requirement, ability to meet the requirement for increased knowledge of training participants, funding threshold, and proposed reallocation of funding. Based on these comments, additional changes were made to the amendments adopted herein.

Based on feedback on the Amended Notice, Items 1 and 2 remain unchanged and Items 3 and 4 were again revised. In Item 3, the volunteer management requirement was expanded to include the provision of volunteer management resources, such as best practices and materials. In a corresponding change, the reporting requirement was revised to track the number of persons that report that the volunteer management resources, rather than only training, increased their knowledge. In Item 4, the last paragraph was changed to indicate that the Commission will retain funds for up to two years to be used to support RSVP training designed to increase volunteer recruitment and retention. Further, the subrule was revised to detail that, after two years, the funds would be distributed across other RSVP programs. The language now clarifies that, in such cases, these additional funds would be awarded on a one-year basis only.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15H.2(3)“i.”

These amendments will become effective July 1, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule 7.1(1) as follows:

7.1(1) *RSVP grant.* Each RSVP project which has a current ~~memorandum of agreement~~ notice of grant award to operate an RSVP project from the Corporation for National and Community Service (the federal domestic volunteer agency) is to be allocated a share of state funds appropriated for distribution. Each RSVP project shall submit to the commission a budget outlining the method by which the project will expend the grant allotted to the project and other information as requested by the commission.

VOLUNTEER SERVICE, IOWA COMMISSION ON[817](cont'd)

ITEM 2. Amend subrule 7.4(1) as follows:

7.4(1) The commission ~~and~~ or the Corporation for National and Community Service shall issue a request for proposals containing project criteria and application ~~forms~~ instructions based on the most recent application instructions or notice of funding opportunity for RSVP that is available from the Corporation for National and Community Service for the appropriate fiscal year.

ITEM 3. Amend subrule 7.5(3) as follows:

7.5(3) Reporting. All grant recipients shall submit biannual progress and financial reports to the Corporation for National and Community Service and provide these reports to the commission. Beginning in state fiscal year 2015, RSVP projects will report to the commission, with each payment request, the number of active volunteers serving in the prior period. RSVP projects will also report to the commission the number of persons provided with volunteer management resources, such as training, best practices, and materials, and the number of persons who report that the training increased their knowledge of effective volunteer management practices.

ITEM 4. Amend subrule 7.5(4) as follows:

7.5(4) Distribution of funds. The base-level formula for distribution of funds for established programs will be based on the ~~2004~~ prior fiscal year's state funding levels. When applicable, any relinquished funds will be distributed based on the existing the current fiscal year's distribution formula. New programs that are not state-developed will begin at the ~~minimum~~ base funding level for RSVP grants established by the commission.

Beginning in state fiscal year 2016, distribution of state funds will include an established maximum average cost per volunteer as determined by the commission on an annual basis. The maximum cost per volunteer will be set one year in advance. If the commission does not establish a new rate, the prior rate remains in effect. The average cost per volunteer calculation is based on the number of volunteers divided by the sum of awarded state plus federal funds. Any program that exceeds the maximum cost at the time of the January biannual progress report may have subsequent grant awards reduced to comply with this threshold. Additional funds that are not awarded due to these reductions will be retained by the commission for up to two years to be used to support RSVP training designed to increase volunteer recruitment and retention. If, after two years, the project from which the funds have been retained has not met the maximum cost per volunteer threshold, the funds will be distributed to projects that are below the maximum volunteer cost threshold with the understanding that the funds are provided on a one-year basis. The commission may grant a temporary exception to the maximum cost requirement for new projects or in the case of financial or other hardship.

[Filed 1/26/15, effective 7/1/15]

[Published 2/18/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/18/15.