



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

June 3, 2020

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

Table of Contents

Agency	Page
Department of Human Services	1
Department of Commerce/Insurance Division	2
Environmental Protection Commission	2

Department of Human Services

ARC 5035C (AF)

Rule Summary Makes the following changes to the Child Care Assistance (CCA) Program.

- Updates eligibility guidelines for CCA Plus by removing the 12-month limit on eligibility. Revises the income parameters to 85.0% of the State Median Income or 225.0% of the Federal Poverty Level (FPL), whichever is lower.
- Changes the definition of the age group “infant and toddler” from between two weeks and two years of age to between two weeks and three years of age. Makes a conforming adjustment to the age group “preschool” to reflect this change.
- Updates the sliding fee schedule to reflect 2020 FPL amounts.

State or Federal Law Implemented: Iowa Code section 234.6.

Fiscal Impact **Agency Response:** The impacts of the changes are estimated as follows:

- CCA Plus: There will be decreased expenditures in FY 2021 estimated at \$288,000, with costs increasing annually thereafter by approximately \$1.4 million, to a total increase of \$5.5 million in FY 2025.
- “Infant and toddler” definition: The change will increase expenditures for the CCA Program by an estimated \$2.3 million in FY 2021.
- Updates to sliding fee schedule: No fiscal impact.

This brings the total increase in provider reimbursement expenditures by year to:

- FY 2021: \$2.0 million.
- FY 2022: \$3.7 million.
- FY 2023: \$6.0 million.
- FY 2024: \$7.2 million.
- FY 2025: \$7.8 million.

The amounts of federal Child Care Development Fund revenue to be carried forward into FY 2021 and FY 2022 are estimated to be sufficient to cover these changes.

LSA Response: The LSA concurs in part. The LSA estimates the impact of the “infant and toddler” definition change at \$2.8 million using a detailed weighted average based on rates and population distribution across all Quality Rating System (QRS) levels. The

Administrative Rules — Fiscal Impact Summaries

June 3, 2020

2

DHS estimate uses an estimate at the base rates and the rates for the highest QRS level and averages the two. For additional information on the assumptions for the “infant and toddler” definition change, please refer to the [Fiscal Note for HF 2271](#) (Child Care Assistance Program, Infant and Toddler Rates). The impact would increase the five-year estimates outlined above by approximately \$500,000 each fiscal year.

For additional information on the funding sources and current estimate, please refer to the [Fiscal Update Article CCA Forecasting Group — December 2019](#).

LSA Staff Contact: Jess R. Benson (515.281.4611) jess.benson@legis.iowa.gov

Department of Commerce/Insurance Division

ARC 5045C (AF)

Rule Summary Requires annuity agents and securities agents to inform consumers about risks, benefits, and costs of any recommended transaction.

State or Federal Law Implemented: Iowa Code sections [502.501](#), [502.501A](#), and [507B.4A](#).

Fiscal Impact **Agency Response:** The fiscal impact to the Commerce Revolving Fund cannot be determined. The implementation of the rulemaking will result in a material increase to the Division’s regulatory responsibilities by adding a new State-level best interest obligation to the existing suitability standards. The rulemaking may also increase industry costs due to firms needing to update their internal systems to comply with the new requirements; however, this is a one-time cost. Additionally, industry participants may need to expend funds to refine supervision and training programs.

LSA Response: The LSA concurs.

LSA Staff Contact: Angel A. Banks-Adams (515.281.6301) angel.banks-adams@legis.iowa.gov

Environmental Protection Commission

ARC 5044C (NOIA)

Rule Summary Changes the aquatic life criteria for metals (with the exception of aluminum) from a “total recoverable” value to a “dissolved” value. Also changes the aquatic life criteria for aluminum from a “total recoverable” value to a “bioavailable” value.

State or Federal Law Implemented: Iowa Code section [455B.173\(2\)](#).

Fiscal Impact **Agency Response:** Although no fiscal impact is expected for the State of Iowa, the Department of Natural Resources estimates there will be cost savings to 16 private facilities. There are 30 facilities that are currently subject to the existing aluminum criteria, and 7 of these have had aluminum permit limit violations. It is estimated that 3 of those 7 facilities will be able to comply with the proposed aluminum criteria and will therefore be able to avoid the cost of installing aluminum removal technology. The cost savings are estimated at \$42.5 million.

Currently, 81 facilities are subject to the rest of the metals criteria, and it is estimated that 13 facilities will be able to comply with the proposed dissolved metal criteria in this rulemaking with an estimated cost savings between \$42.7 million and \$52.8 million. Total cost savings are estimated between \$85.2 million and \$95.3 million.

LSA Response: The LSA concurs.

LSA Staff Contact: Deb Kozel (515.281.6767) deb.kozel@legis.iowa.gov