



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

February 5, 2021

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).

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Department of Human Services

ARC 5406C (NOIA)

Rule Summary Implements the Kinship Caregiver Program, which provides a monthly State-funded payment to relatives of children in an effort to keep such children with family or kin rather than in nonrelative foster care. The Program allows relatives to receive a \$300 monthly stipend for each child in their care for up to six months. However, children in this Program would be considered to be in foster care and the DHS could draw down Title IV-E administrative costs for the average length of time it takes to license a foster family while relatives are pursuing foster care licensure.

State or Federal Law Implemented: Iowa Code chapter 234.

Fiscal Impact **Agency Response:** Children placed in the Program would be eligible for a total of six months of benefits. Given the current number of children placed with relatives, and accounting for \$300 per month stipend level, the DHS estimates a total cost of \$2,132,700 over the six-month stipend eligibility period.

LSA Response: The LSA concurs.

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School Budget Review Committee

ARC 5401C (NOIA)

Rule Summary Allows the School Budget Review Committee the option to grant modified supplemental amounts (MSAs) for programs for at-risk students when a school district submits a request after January 15 but before March 1 of the budget year preceding the budget year during which the program will be offered.

State or Federal Law Implemented: 2020 Iowa Acts, chapter 1093 (School Budget Review Committee Act).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs in part. While the rulemaking itself does not have a fiscal impact to the State, any MSAs granted under the provisions of this rulemaking

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may increase local property taxes by up to \$1.0 million or more. See the **Fiscal Note** for more information.

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Department of Revenue

ARC 5399C (NOIA)

Rule Summary Implements a new income tax exemption created in HF 2641, division XII (2020 Omnibus Tax and Miscellaneous Change Act), for federal, state, and local broadband grants if the grant is used to install broadband infrastructure in targeted service areas.

State or Federal Law Implemented: Iowa Code sections 422.7, 422.35, and 422.61.

Fiscal Impact **Agency Response:** No fiscal impact beyond that of the legislation the rules are intended to implement.

LSA Response: The LSA concurs. The Fiscal Note for HF 2641 projected that the broadband infrastructure grant income tax exemption would reduce General Fund revenue by the following amounts:

- FY 2020 = \$0.9 million
- FY 2021 = \$2.3 million
- FY 2022 and after = \$1.5 million

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