



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

January 6, 2023

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 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 (**AFF**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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Department of Human Services

ARC 6766C (NOIA)

Rule Summary Provides for a quality incentive payment program (QIPP) for non-state government owned (NSGO) nursing facilities to promote, maintain, and improve quality of care and health outcomes. Identifies the criteria the NSGO nursing facility shall meet to qualify for participation in the program, with a goal to issue additional payments for quality of care above what is required by the Centers for Medicaid and Medicare (CMS).

State or Federal Law Implemented: Iowa Code section 249A.4.

Fiscal Impact **Agency Response:** This rulemaking has no fiscal impact to the State. However, there will be a fiscal impact to counties or other local governmental agencies as they will be responsible for providing the provider's State share of the add-on rate, which is completed through the Intergovernmental Transfers (IGT) process.

LSA Response: The LSA concurs. It is estimated that Iowa counties would pay up to \$1.5 million annually through IGTs to receive federal matching funds.

ARC 6781C (FEAN)

Rule Summary Defines "acute psychiatric intensive care" and identifies how a patient meets the need for that level of care. Identifies the payment methodology for acute psychiatric intensive care services.

State or Federal Law Implemented: Iowa Code chapter 249A and 2022 Iowa Acts, House File 2546 (Medicaid, Psychiatric Intensive Care Unit Rates Act).

Fiscal Impact **Agency Response:** It is anticipated there will be a \$1.5 million State cost in FY 2023 and a \$3.0 million State cost in FY 2024, with the assumption that the implemented rate will be developed to align with the funding appropriated. The Legislature has not yet appropriated the full annualized cost. Fiscal year 2024 money for this purpose has not yet been appropriated.

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LSA Response: The LSA concurs. 2022 Iowa Acts, [HF 2578](#) (FY 2023 Health and Human Services Appropriations Act), contains an increase in the Medical Assistance appropriation for FY 2023, which includes the \$1.5 million projected increase for psychiatric tiered rates, as detailed in the [Notes on Bills and Amendments \(NOBA\)](#). Fiscal year 2024 money for this purpose has not yet been appropriated.

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Department of Administrative Services

ARC 6751C (NOIA)

Rule Summary Addresses the qualified renewable fuel use in State motor vehicles, outlines the purchasing requirements of State motor vehicles related to the qualified use of renewable fuels, requires the adherence of a highly visible renewable fuel sticker to qualified State vehicles capable of using renewable fuel, and requires that State drivers required to take a driver improvement course complete the course at their expense. The Iowa Department of Administrative Services (DAS) oversees the State's fleet of vehicles. This rulemaking implements 2022 Iowa Acts, [House File 2128](#) (Renewable Fuels Incentives Act), and addresses a cleanup of language throughout Iowa Administrative Code [Chapter 103](#).

State or Federal Law Implemented: Iowa Code sections [8A.360](#), [8A.368](#), [8A.369](#), and [8A.362](#) and 2022 Iowa Acts, [House File 2128](#).

Fiscal Impact **Agency Response:** The fiscal impact for this rulemaking cannot be determined at this time due to future fleet car usage and volume of fuel needed.

LSA Response: The LSA concurs.

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College Student Aid Commission

ARC 6731C (AF)

Rule Summary Adds neurology as an eligible specialty, allows an applicant to complete an out-of-state residency program, and allows physicians to practice part-time in a service commitment area in regard to the Rural Iowa Primary Care Loan Repayment Program. Defines how awards will be made under the program in the event that surplus funds exist. Implements amendments enacted in 2022 Iowa Acts, [House File 2463](#) (Nonsubstantive Code Editor's Act), corresponding to nonsubstantive corrections to the Iowa Code.

State or Federal Law Implemented: Iowa Code chapter [261](#); 2022 Iowa Acts, [Senate File 2383](#) (Workforce Omnibus Act); and 2022 Iowa Acts, [House File 2463](#).

Fiscal Impact **Agency Response:** This rulemaking has no fiscal impact to the State of Iowa.

LSA Response: The LSA concurs. The **Fiscal Note** for SF 2383 states that it will require the College Student Aid Commission to update the online application and award system for the Health Care Loan Repayment Program to allow applicants to complete Internal Revenue Service Form W-9 and to process payments. This is estimated to create a one-time cost to the Commission of approximately \$10,000 in FY 2023.

ARC 6759C (NOIA)

Rule Summary Defines eligibility and agreement requirements of a new mental health professional loan repayment program enacted in 2022 Iowa Acts, [House File 2549](#) (Mental Health Provider Loan Forgiveness Act).

State or Federal Law Implemented: Iowa Code chapter [261](#) and 2022 Iowa Acts, [House File 2549](#).

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Fiscal Impact **Agency Response:** This rulemaking has no fiscal impact to the State of Iowa.

LSA Response: The LSA concurs. The proposed rulemaking implements the new loan repayment program enacted in HF 2549. In FY 2023, the College Student Aid Commission received a \$520,000 General Fund appropriation for this Program.

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Natural Resource Commission

ARC 6754C (NOIA)

Rule Summary Expands eligibility for lifetime trout fishing licenses to Iowa residents who qualify for the disabled veteran homestead tax credit. Establishes a new annual armed forces fishing license and a new annual armed forces hunting and fishing combined license for Iowa residents who have served in the armed forces of the United States on federal active duty. Establishes a \$5 fee for each of the two new armed forces licenses.

State or Federal Law Implemented: 2022 Iowa Acts, Senate File 581 (Antlerless Deer Act), and 2022 Iowa Acts, Senate File 2383 (Workforce Omnibus Act).

Fiscal Impact **Agency Response:** This rulemaking expands the eligibility for disabled veterans who qualify for a \$63 lifetime trout fishing license. The department does not anticipate a significant revenue impact. In addition, this rulemaking creates two new \$5 licenses.

LSA Response: The LSA concurs. This rulemaking is not expected to have a fiscal impact on the State beyond what was anticipated by the legislation it is implementing. The **Fiscal Note** for SF 581 estimates a reduction of \$1,400 in Fish and Wildlife Trust Fund revenue by reducing annual sales of \$12.50 trout licenses. The **Fiscal Note** for SF 2383 estimates a reduction of \$890,000 in Fish and Wildlife Trust Fund revenue by replacing an estimated 7.6% of the 462,000 annual licenses sold, which currently cost between \$10.50 and \$101, with a \$5 armed forces fishing license or a \$5 armed forces combination hunting and fishing license.

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Department of Education

ARC 6723C (AF)

Rule Summary Adds two additional shared operational functions: school resource officer and college and career transition counselor or coordinator. Raises the amount of weighting generated for sharing a superintendent and adds flexibility for sharing with political subdivisions and other school corporations. Also adds a definition of “work-based learning coordinator,” which was omitted from a prior rulemaking.

State or Federal Law Implemented: House File 2080 (School Superintendents, Shared Operational Functions Act) and House File 2589 (FY 2023 Standing Appropriations Act).

Fiscal Impact **Agency Response:** This rulemaking has a fiscal impact to the State.

From the **Notes on Bills and Amendments** for House File 2589:

Based on FY 2023 data, a total of 296 school districts are currently under the maximum amount of additional weighting for a school district of 21 additional pupils per year. School districts have a capacity to add total weighting of 554 for a college and career transition counselor or coordinator. Information is not available to determine the number of school districts that will receive the additional maximum weighting of two for a college and career transition counselor or coordinator as provided in this Act. Each school district that receives the additional weighting for a college and career transition

counselor or coordinator will result in additional weighting costing an estimated \$14,826. The weighting would be funded with \$13,456 from the State General Fund and \$1,370 from local property tax beginning with FY 2024 and ending with FY 2025.

From the final **Fiscal Note** for House File 2080:

House File 2080 is estimated to increase the operational function sharing supplementary weighting for superintendent management by a total of 91 pupils for 91 school districts at a total annual cost of \$660,000 beginning with FY 2024 and ending with FY 2025. The estimated increase will be funded with approximately \$595,000 from the State General Fund through the School Aid Formula and \$65,000 from local property tax.

Information is not available to determine the number of school districts that will receive the additional maximum weightings of two for a special education director and two for a school resource officer provided in this Act. Information is also not available on the number of school districts that are funding a shared special education director function or school resource officer function with currently available resources and not receiving any additional weighting. However, each school district that receives the additional weighting for a shared special education director or school resource officer will result in additional weighting costing an estimated \$14,826. The weighting would be funded with \$13,456 from the State General Fund through the School Aid Formula and \$1,370 from local property tax beginning with FY 2024 and ending with FY 2025.

LSA Response: The LSA concurs.

Rule Summary **ARC 6726C (AF) & ARC 6483C (AFE)**
Eliminates open enrollment deadlines, eliminates remaining open enrollment appeal rights to the Iowa State Board of Education, makes conforming changes, and makes changes to athletic eligibility rules.

State or Federal Law Implemented: 2022 Iowa Acts, House File 2589 (FY 2023 Standing Appropriations Act).

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined at this time. Open enrollment applications and transportation reimbursements are expected to increase; however, the extent to which each district may experience a fiscal impact cannot be estimated at this time.

LSA Response: The LSA concurs.

Rule Summary **ARC 6725C (AF) & ARC 6486C (AFE)**
Revises charter school funding in light of House File 2575 (FY 2023 Education Appropriations Act) required revisions for specified costs per pupil for each student enrolled in a charter school to be paid by the Department of Education.

State or Federal Law Implemented: 2022 Iowa Acts, House File 2575.

Fiscal Impact **Agency Response:** This rulemaking has the following fiscal impact to the State, according to the **Notes on Bills and Amendments**: “An estimated 275 students will attend a charter school who were not included in the actual enrollment of the district of residence for FY 2023. The Department of Education will pay to the charter schools an estimated \$2.6 million from the General Fund standing unlimited appropriation for charter school funding during FY 2023.”

LSA Response: The LSA concurs in part. The contract for Choice Charter estimated 300 students would be enrolled and Hamburg Charter estimated between 10 and 60 students would be enrolled.

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Enrollment numbers filed August 5, 2022, included 50 students for Choice Charter and 31 students for Hamburg Charter. If the numbers are maintained at each reconciliation, the total estimated General Fund expenditure for FY 2023 would be an estimated \$764,000.

The Department of Education has indicated that it will allocate \$1.0 million from the federal pandemic funding grant on a reimbursable basis for actual expenses to Choice Charter as a pilot program for this founding board-State Board model in addition to the amount provided based on the enrollment at Choice Charter.

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