



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

October 13, 2025

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](http://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 Revenue

#### ARC 9570C (NOIA)

**Rule Summary** Establishes the regulation and taxation of devices as defined by Iowa Code section 453E.1(6). A device is any equipment or product, made in whole or in part of glass or metal, that is designed for use in inhaling through combustion tobacco, hemp, other plant materials, or a controlled substance. A device does not include a vapor product.

**State or Federal Law Implemented:** 2024 Iowa Acts, Senate File 345 (Paraphernalia Regulation Act), and Iowa Code chapter 453E.

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

**LSA Response:** The LSA concurs in part. This rulemaking has no fiscal impact beyond the legislation it is intended to implement. The **Fiscal Note** for SF 345 estimated the following fiscal impacts:

- An increase of approximately \$3.0 million each year to the Specialty Courts and Diversions Program Fund from a 40.0% excise tax on the sale of devices.
- An increase of \$50,000 each year to city and county general funds from the collection of device permit fees.
- A one-time cost of \$11,000 to the Iowa Department of Revenue for software updates related to device permits.

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# Administrative Rules — Fiscal Impact Summaries

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## Department of Health and Human Services

### ARC 9581C (NOIA)

**Rule Summary** Reestablishes the conditions of eligibility for the Medicaid program under Iowa Code chapter 249A. Incorporates a modified adjusted gross income methodology based on federal tax rules, implements portions of the federal Patient Protection and Affordable Care Act, and implements the concept of reasonable compatibility for verifying resources and income. Restructures the chapter, dividing coverage groups into separate divisions based on categories of coverage. Raises the personal needs allowance for participants in the medical assistance program who are residents of facilities from \$50 to \$55.

**State or Federal Law Implemented:** Iowa Code chapter 514I and sections 249A.3 and 249A.4; Title XIX of the federal Social Security Act; 42 C.F.R. §435 and §457; 2024 Iowa Acts, Senate File 2251 (Postpartum Coverage, Medicaid Act); and 2025 Iowa Acts, House File 1049 (FY 2026 Health and Human Services Appropriations Act).

**Fiscal Impact** **Agency Response:** This rulemaking has no fiscal impact beyond the \$330,513 that was allocated to implement the personal needs allowance increase outlined in sections 18 and 19 of HF 1049.

**LSA Response:** The LSA concurs in part. The rulemaking also implements postpartum Medicaid changes as a result of SF 2251. The **Fiscal Note** for SF 2251 estimated an increase in State costs by approximately \$1.1 million in FY 2025, \$3.3 million in FY 2026, \$388,000 in FY 2027, and \$286,000 in FY 2028 and beyond.

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## Department of Public Health

### ARC 9550C (NOIA)

**Rule Summary** Rescinds chapters related to rural health care programs that have been repealed, including the Family Medicine Obstetrics Fellowship Program, the Medical Residency Training State Matching Grants Program, the Primary Care Provider Recruitment and Retention Endeavor, and the Health Care Workforce Support Initiative.

**State or Federal Law Implemented:** 2025 Iowa Acts, House File 972 (Rural Health Care Act).

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

**LSA Response:** The LSA concurs in part. House File 972 repealed programs, funds, and accounts related to rural health care and replaced them with a Health Care Professional Incentive Program and Medicaid supplemental enhanced payments for graduate medical education. The repealed programs received a total of \$2.9 million in General Fund moneys in FY 2025.

House File 972 required any unobligated and unencumbered moneys from the Primary Care Provider Loan Repayment Program Account to be used for the Health Care Professional Incentive Program. The **Notes on Bills and Amendments (NOBA)** for HF 972 estimated there would be \$58,000 available from the Account.

Unobligated and unencumbered moneys from the Health Care Workforce Shortage Fund Interest Account, the Medical Residency Training Account, and the Family Medicine Obstetrics Fellowship Program Fund were required to be used for Medicaid graduate medical education. The NOBA for HF 972 estimated there would be \$9.4 million available from these funds and accounts.

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## Department of Education

### ARC 9600C (NOIA)

**Rule Summary** Implements technical requirements related to career planning instruction in grades five through eight, online administration of statewide summative assessments for students receiving primarily online instruction, seizure training and prevention in schools, and authorization of identified athletics organizations to offer interscholastic competitions in robotics.

**State or Federal Law Implemented:** 2025 Iowa Acts, House File 316 (Career Education, Development and Industry Credentials Act), House File 190 (Online Schools, Remote Testing Act), House File 835 (Seizure Training Requirements, Schools Act), and Senate File 278 (Robotics, School Extracurricular Activities Act).

**Fiscal Impact** **Agency Response:** No fiscal impact to the State of Iowa beyond the impact estimated by the Legislative Services Agency for 2025 Iowa Acts, House File 190.

**LSA Response:** The LSA concurs. The **Fiscal Note** for HF 190 estimates first-year implementation costs of \$825,000 and recurring costs of \$625,000 if parallel testing is used or first-year implementation costs of \$225,000 and recurring costs of \$25,000 if parallel testing is not used.

### ARC 9597C (NOIA)

**Rule Summary** Transfers the responsibility to investigate allegations of abuse by school employees from schools to the Department of Health and Human Services (HHS).

**State or Federal Law Implemented:** 2025 Iowa Acts, Senate File 659 (Standing Appropriations Act).

**Fiscal Impact** **Agency Response:** This rulemaking has an undetermined cost to the HHS, and thus an undetermined fiscal impact on the State. There are no anticipated additional costs to Iowa schools.

**LSA Response:** The LSA concurs in part. As detailed in the **Fiscal Note** for 2025 Iowa Acts, House File 389 (Child Abuse at Schools, Investigating Authority Act), requiring the HHS to administer and provide for the investigation of reports of alleged student abuse by school employees will increase costs to HHS by approximately \$755,000 in FY 2026 and approximately \$656,000 in FY 2027.

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