

MEMORANDUM

TO: Administrative Rules Review Committee
 FROM: Fiscal Services Division, Legislative Services Agency
 DATE: September 4, 2003
 RE: Fiscal Impact of Agency Administrative Rules

House File 636 (Legislative Services Agency Consolidation Act) 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). This memorandum provides an overview of the fiscal impact of the rules presented by the agencies for the September 9, 2003 ARRC meeting.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Administrative Services Department		LSA Contact: Ron Robinson 1-6256
ARC 2708B	New rules are proposed to support implementation of a new state electronic purchasing system that streamlines agency processes, reduces paperwork, and provides vendors the means to conduct business electronically with the state.	No additional expenditures are anticipated as a result of these rules. State agencies and vendors may realize certain savings through the use of electronic procurement. E-Procurement will result in savings in processing time, paper and mail costs for both vendors and state agencies.
Agriculture and Land Stewardship		LSA Contact: Deb Kozel 1-6767
ARC 2709B	Removes rules from the Iowa Organic Program that were removed during the past Legislative Session to comply with federal requirements.	No fiscal impact.
ARC 2693B	Requires the all poultry exhibitions be registered with and approved by the State Veterinarian at least 30 days prior to the exhibition. Requires a licensed veterinarian to inspect all poultry at the show or exhibit and to remove any birds showing signs of a contagious disease. Sale of poultry at unregulated events will not be allowed.	Minimal fiscal impact.
ARC 2694B	Establishes low pathogenic avian influenza as a reportable disease in Iowa and to implement a control program for infected flocks.	Cost to poultry producers is estimated at \$54,320 based on a cost of \$1 per test for 27,160 (equals \$27,160) and \$1 per sample to collect & mail (\$27,160) Sampling includes 20 samples each from 1,000 turkey flocks, 308 egg-type chicken flocks, and 50 broiler chicken flocks.

College Student Aid Commission (Dept. Education)		LSA Contact: Mary Shipman 1-4617
ARC 2668B	Federal Family Education Loan Program (FFELP). Clarification and revision of rules pursuant to Executive Order Number 8. These changes do not materially affect administration of the Program.	No fiscal impact.
ARC 2667B	Osteopathic Physician Recruitment Program. Clarification and revision of rules pursuant to Executive Order Number 8. These changes do not materially affect administration of the Program.	No fiscal impact.
ARC 2666B	Physician Loan Repayment Program. Eliminates the rules for this Program because the Program has been eliminated from statute.	No fiscal impact.
ARC 2665B	Chiropractic Graduate Student Forgivable Loan Program. Clarification and revision of rules pursuant to Executive Order Number 8. These changes do not materially affect administration of the Program.	No fiscal impact.
ARC 2664B	Teacher Shortage Forgivable Loan Program. Clarification and revision of rules pursuant to Executive Order Number 8. These changes do not materially affect administration of the Program.	No fiscal impact.
ARC 2663B	Governor Terry E. Branstad Iowa State Fair Scholarship Program. Clarification and revision of rules pursuant to Executive Order Number 8. These changes do not materially affect administration of the Program.	No fiscal impact.
Credit Union Commission (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2679B	The proposal changes the "Procedure for Adoption of Rules."	No fiscal impact.
Department of Economic Development		LSA Contact: Russ Trimble 1-4613
ARC2674B	The proposed amendments incorporate legislative revisions to the Value-Added Agricultural Products and Processes Financial Assistance Program in accordance with 2003 Iowa Acts, House File 692, section 87.	No fiscal impact.
ARC2675B	Revises the definitions of "community" & "full-time", limits the amount of investment (or insurance premium) tax credits, addresses extension requests, clarifies "pay" constitution, and repayment of benefits and amendments to approved projects.	Minimal fiscal impact. Since the amendments only provide for clarification of the existing program the impact for the state budget is not measurable at this time. If there were instances of non-compliance, the current cost of \$5.0 million per year could be reduced by the amount of repayments collected from the affected participants.
ARC2685B	The new chapter establishes application requirements, evaluation criteria and procedures for participation in the	No fiscal impact.

	Cogeneration Pilot Program in accordance with 2003 Iowa Acts, House File 391.	
ARC2676B	Implements the "New Capital Investment Program" authorized by 2003 Iowa Acts, House File 677. The rules establish application procedures and evaluation criteria, detail the tax benefits available to approved businesses and establish the contractual and compliance components of the program.	<p>The creation of the New Capital Investment Program with a \$1.0 million capital investment requirement will result in the issuance of tax refunds and tax credits worth \$7.6 million per year, beginning in FY 2004, and redemption of those credits and refunds beginning in FY 2005. The projected impact by fiscal year is:</p> <ul style="list-style-type: none"> • \$2.7 million – FY 2005 • \$4.3 million – FY 2006 • \$6.0 million – FY 2007 • \$7.6 million – FY 2008 and beyond. <p>In addition, expenses of the Department of Economic Development will increase \$57,000 per year, beginning in FY 2004.</p>
Board of Educational Examiners (Dept. Education)		LSA Contact: Robin Madison 1-5270
ARC 2670B	The proposed changes clarify the criteria for converting an initial teaching license to a standard license, as well as the criteria for out-of-state and nonpublic school teachers to obtain a standard license.	Minimal fiscal impact.
ARC 2669B	The proposed changes combine the elementary and secondary principal endorsements into one K-12 endorsement, available without regard to grade level teaching experience. Competencies for the supervisor of special education endorsement are also specified.	No fiscal impact to the State. The impact to teacher preparation institutions cannot be determined, but it is likely to be minimal. Combining the elementary and secondary programs should allow for more efficiency.
ARC 2712B	Expands the conditions for granting waivers of the child and dependent adult abuse training requirement for renewals of substitute teacher authorizations.	Minimal fiscal impact.
ARC 2713B	Provides a mechanism for administrators to add the evaluator endorsement to a license.	Minimal fiscal impact.
ARC 2714B	Expands the conditions for granting waivers of the child and dependent adult abuse training requirement for renewals of driving instructor authorizations.	Minimal fiscal impact.
ARC 2715B	The proposed changes modify the requirements for the paraeducator certificate to clarify required competencies and add School Library Media—PK-12 as a new area of concentration.	No fiscal impact to the State. Individuals seeking the certificate or new area of concentration would assume costs associated with completing the requirements.
Emergency Management Division (Department of Public Safety)		LSA Contact: Jennifer Dean 1-7846
ARC 2737B and ARC 2738B	This proposed rule change refines and formalizes the current process already in place. This rule describes the duties and responsibilities of local emergency	No fiscal impact to the State. Local emergency management commissions may realize a minimal cost of \$2,000 annually statewide for printing but federal

	management commissions to develop, adopt, and file by printed copy State and federally required emergency management plans.	funds are available to offset those costs.
Environmental Protection Commission (Department of Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 2736B	Amends the rules to exempt certain business activities from air pollution construction permits. 1. Excludes equipment used for carving, cutting, machining, sawing, and similar functions for other non-production activities. 2. Exempts manually-operated equipment used for drilling, sanding, and other activities. 3. Rules were developed in conjunction with the Iowa Association of Business and Industry and the federal Environmental Protection Agency (EPA).	The exemptions will provide estimated savings of \$300 for each business that does not have to complete an air quality permit application. Savings was estimated at six hours to complete application, download forms, etc. at cost of \$50 per hour. The exemptions will result in savings due to fewer applications being reviewed. The exemptions would have minimal environmental and human health impact as the equipment is used infrequently. Linn and Polk Counties charge fees to issue permits for the exempted activities. If they adopt the DNR's standards (they are not required to do so), there would be a decrease in permit fees, however, the amount is unknown.
ARC 2716B	Implements statutory requirements for formed manure storage structures built on or after January 1, 2004.	No fiscal impact to the DNR as this implements existing requirements. Additional expense to producers to comply with the new standards may result; however, the impact cannot be quantified, as the number of producers that will build these structures is unknown. Environmental benefits are increased to the public and to producers, as leakage from poorly constructed structures will be reduced.
ARC 2717B	Provides reference to enforcement authority and penalties for non-compliance with regards to the Waste Tire Management Program.	No fiscal impact to tire storage and processing facilities that operate as required by law. Those not operating in accordance with the law are subject to penalties.
Ethics and Campaign Disclosure Board		LSA Contact: Sam Leto 1-6764
ARC 2692B	Renumbers several chapters of the Board's rules to place together similar subject matter and to make technical changes.	Fiscal impact cannot be determined, but should be minimal. Charges for requests for copies of public records and fees for late filing campaign reports have not been significant in the past.
ARC 2702B	Prohibits foreign nationals from expending funds in connection with a state or local political campaign.	No fiscal impact. This amendment adheres to Federal Election Commission administrative rules.

ARC 2695B	Permits a non-profit advocacy corporation to qualify as a political corporation that advocates for or against a specific candidate.	No fiscal impact. The rule will only apply to two or three organizations in Iowa. It has applied to only a couple organizations over the last seven years.
Grow Iowa Values Board (Dept. Economic Development)		LSA Contact: Russ Trimble 1-4613
ARC2698B	Grow Iowa Values Board emergency rules.	The Fiscal impact is \$45.0 million in FY 2004. The impact is the first year appropriation made to the Department in HF 683.
Department of Human Services		LSA Contact: Sue Lerdal 1-7794, Lisa Burk 1-7942, Jennifer Vermeer 1-4611
ARC 2654B	HF 667, 2003 Iowa Acts rescinds the requirement that a person receiving Home and Community Based Services under a waiver must be discharged from a medical institution immediately before receiving waiver services in order to receive funding from the rent subsidy program. The consumer must now document that they are at risk of placement in a nursing facility.	Minimal fiscal impact. DHS estimates that approximately 2 clients per month would no longer be eligible for the Rent Subsidy Program at an average cost of \$168.44 per month. This would result in an annual state savings of \$49,000.
ARC 2657B	Federal law requires states to grant food stamp eligibility to legal immigrants age 18 and under who are otherwise eligible for the program.	No State fiscal impact. The Food Stamps Program is 100% federally funded. DHS estimates a maximum increase of 5 children per month. The average food stamps allotment is \$76.25 per month, for a total maximum federal impact of \$5,000.
ARC 2699B	As required by HF 489, increases Medicaid premiums by 10% for Employed Persons with Disabilities (MEPD) group with gross income over 150% of the Federal Poverty Level, consistent with increases in state employee health insurance premiums. Also adds additional increments to the sliding fee scale.	Estimated increase in state General Fund revenues of \$12,000.
ARC 2700B	Updates Medicaid policies for hospitals that receive Graduate Medical Education and Disproportionate Share Fund payments.	No fiscal impact.
ARC 2701B	Makes various changes to the adoption subsidy program and child care assistance as recommended by the adoption subsidy work group.	Net fiscal impact is a savings to the state of \$433,000. This includes: <ul style="list-style-type: none"> • An increase in the number of families qualifying for child care assistance of 10%, or 90 children, for a cost of \$318,000 (100% federal funds). • The shift from adoption subsidy to child care assistance results in a savings in the adoption subsidy program of \$164,000 state funds. • Changes to the definition of a special needs child is estimated to save \$242,000 of State funds. • Changes specifying a maximum child care rate when subsidy funds are used is estimated to save \$261,00 of State

		<p>funds.</p> <ul style="list-style-type: none"> Establishing a maximum attorney fee and legal costs is estimated to save \$85,000.
ARC 2656B	As required by SF 416 and HF 558, amends the form for dependent adult abuse reports, requires DHS to maintain unfounded reports for one year, and expands access to adult abuse information for entities involved in investigation.	No fiscal impact.
ARC 2655B	As required by HF 667 (FY 2004 Health and Human Services Appropriations Act) extends the voluntary foster care placement for a child from 30 days to 90 days.	No fiscal impact
ARC 2583B	<p>As required by HF 479 (Advanced Registered Nurse Practitioners (ARNP)), the amendments allow ARNPs to serve as MediPass patient managers.</p> <p>The rule will be amended to eliminate the phrase “independently practicing” to allow three types of ARNPs to be patient managers regardless of their employment status.</p>	DHS has agreed to collect data to estimate cost savings. Fiscal impact cannot be determined at this time.
Inspections and Appeals Department		LSA Contact: Doug Wulf 1-3250
ARC 2642B	Updates rules by requiring that hospitals develop written policies and procedures regarding mandatory reporting requirements for abuse situations, incorporating recent changes made in the federal certification requirements for organ and tissue requests and procurement, and updating references to the Code of Federal Regulations for the purpose of participation in the Medicare program.	No fiscal impact.
ARC 2643B	Clarifies the rules by updating references to the Code of Federal Regulations and the National Fire Protection Association’s Life Safety Code for hospitals.	No fiscal impact. The proposed rules update the Department’s administrative rules to reflect current practice.
ARC 2641B	<p>The proposed amendment to Chapter 58 stipulates that nursing facilities cannot require medications dispensed by the Veterans Administration to be repackaged in a drug distribution system compatible with the system used by the facility.</p> <p>The amendments to Chapters 60 and 61 allow for the use of certain surge protectors for consumer electronic devices located in residents’ rooms or elsewhere in facilities.</p>	No fiscal impact. The changes are discretionary, not mandatory for the facilities.
Insurance Division (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2677B	This proposal changes the authorized manner for the delivery of group life	No fiscal impact.

	insurance certificates by insurers and group policyholders.	
ARC 2678B	This proposal changes the authorized manner for the delivery of accident and health group insurance certificates.	No fiscal impact.
Iowa Finance Authority (Dept. Economic Development)		LSA Contact: Russ Trimble 1-4613
ARC2718B	Updates the mission, organization and programs of the Board.	No fiscal impact.
ARC2719B	Updates the Qualified Allocation Plan for the Low-Income Housing Tax Credit Program and changes the reservation fee charged from 6% of the reservation amount to 1% of the ten-year tax credit amount.	The fiscal impact is due to changing the reservation fee and results in increased revenue of \$200,000 to IFA. The increased funding will be used for two new compliance officers, the online compliance tracking system, and additional training.
Landscape Architectural Exam Board (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2691B	Chapters 1 - 4 contain rules specific to the practice of landscape architecture. Rescinded Chapters 5, 6, 7 and 8 contain rules identical or similar to rules outlined in each of the professions within the Professional Licensing and Regulation Division and are now a part of the Division's rules.	No fiscal impact.
Medical Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2707B	The proposed amendments establish new standards of practice and principles of medical ethics.	No fiscal impact.
ARC 2704B	The proposed amendment provides the process for Board referrals to the Iowa Physician Health Program, the Board's license review committee, in accordance with HF 641.	No fiscal impact.
ARC 2706B	Terminated	No fiscal impact.
ARC 2705B	The proposed amendments change the chapter title to reflect its broader purpose of physician supervision, address when a physician is ineligible to supervise, provide exemptions from the chapter, establish how a physician notifies the Board when supervising a physician assistant, and identifies the grounds for discipline in accordance with HF 628 and prior contested cases.	Minimal fiscal impact. Computer changes may result in an estimated cost of less than \$100,000.
Natural Resource Commission (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 2728B	Defines "retail" and "wholesale" activities with regards to Bait Dealer Licenses.	No fiscal impact.
ARC 2727B	Use of decoys and stationary blinds on pools 16-18 on the Mississippi River.	No fiscal impact.
ARC 2735B	Adds Clear Lake State Park Ritz Unit to the after-hours fishing list.	No fiscal impact.
ARC 2733B	Removes the bobcat from the threatened species list.	No fiscal impact.

ARC 2730B	Establishes panfish bag limits, special walleye/sauger regulations, and three seasonal closed areas on the Mississippi River as well as a 15-inch minimum size limit on walleye at Viking Lake.	No fiscal impact.
ARC 2731B	Removes shovelnose sturgeon from the permission catch list on the Missouri River and adds silver carp to that list.	No fiscal impact.
ARC 2729B	Establishes limits for taking mussels with a sport fishing license.	No fiscal impact.
ARC 2726B	Establishes waterfowl and coot hunting seasons.	No fiscal impact.
ARC 2732B	Creates a special nonresident deer-hunting license from December 24 to January 2 for a cost of \$50.	There will be an increase in revenue to the Fish and Wildlife Trust Fund from the sale of this license however, it is estimated to be less than \$100,000. That would be less than 2,000 licenses sold.
ARC 2734B	Removes the restriction on archery equipment used for hunting wild turkey.	No fiscal impact.
Pharmacy Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2651B	Makes various changes in the licensure process for pharmacists and training requirements.	Minimal fiscal impact as additional continuing education requirements will be needed for license renewal for some pharmacists.
ARC 2647B	Clarifies the requirements for maintaining confidentiality of patient information as those requirements related to pharmacy technicians.	No fiscal impact.
ARC 2650B	Clarifies the required status of the original prescription drug order at the time of transfer between pharmacies of an order for non-controlled prescription drugs. Also, provides a time limit within which a pharmacy utilizing an alternative data retention system must be able to produce a hard copy of a record.	No fiscal impact.
ARC 2646B	Identifies specific requirements for labeling of a prescription medication container when the pharmacist dispenses a brand name drug for a generic product ordered by the prescriber.	Minimal fiscal impact. Some pharmacies may find it necessary to contract for minor computer software programming changes at an estimated cost of \$400 per pharmacy. A total of \$40,000 may be incurred by these pharmacies. Any costs incurred would be one-time costs.
ARC 2645B	Changes the terms "consent" or "release" to "authorization" in rules relating to the authorization for release of confidential patient information or delivery of patient medications. Requires a pharmacist to wear a visible identification badge when working in a pharmacy.	Minimal fiscal impact of \$10 each for pharmacists who do not currently have an identification badge.
ARC 2644B	Identifies the information required to be included on the prescription container label of any compounded drug product dispensed by a pharmacy.	No fiscal impact.

ARC 2649B	Adds a substance to the list of drugs that may be included in a home health agency or hospice emergency drug supply.	No fiscal impact. There may be potential savings by having the drug available in a portable emergency supply, as the patient will not need to maintain a dispensed, prepaid supply of the drug.
ARC 2648B	Adds grounds for disciplinary action for defaulting on a repayment of service obligation under any federal or State education loan or service-conditional scholarship and failure to comply with mandatory child or dependent adult abuse reporter training requirement.	No fiscal impact. Pharmacists have historically not been identified as defaulting on student loan obligations and few fall within the definition of mandatory reporters.
Professional Licensure Division (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 2703B	Barbers Board - Specifies the conduct of persons who attend public meetings, operational changes, requirements for the renewal of a barbershop license, and updates the discipline chapter.	Minimal fiscal impact of less than \$500.
ARC 2721B	Cosmetology arts and sciences – Specifies the conduct of persons who attend public meetings, operational changes, issuing a duplicate license, and a new discipline chapter that contains standard language being used by all boards regulated by Professional Licensure.	Minimal fiscal impact due to an estimated \$300 decrease in revenues generated from fees.
ARC 2722B	Hearing aid dispensers examiners - Specifies the conduct of persons who attend public meetings, requirements for notifying the Board of a name or address change, criteria for issuing a duplicate license, and a new discipline chapter that contains standard language being used by all boards regulated by Profession Licensure.	Minimal fiscal impact due to an estimated \$100 decrease in revenues generated from fees.
ARC 2672B	Revises continuing education requirements to include six hours of continuing education in the area of conscious sedation if the podiatrist utilizes this as amended by HF 503.	Minimal fiscal impact as the rule does not increase the number of continuing education hours, but only specifies that six of the required 40 hours be in the area of conscious sedation, if the podiatrist utilizes the practice.
ARC 2723B	Proposed amendments define practice issues for social workers and update the discipline chapter by using standard language that is in the process of being adopted by all Boards regulated by Professional Licensure, and other operational changes	Minimal fiscal impact.
ARC 2720B	Speech pathology and audiology examiners - Specifies the conduct of persons who attend public meetings, requirements for notifying the Board of a name or address change, criteria for issuing a duplicate license, and a new discipline chapter that contains standard language being used by all boards	Minimal fiscal impact due to an estimated \$100 decrease in revenues generated from fees.

	regulated by Profession Licensure.	
ARC 2687B	The proposed amendments implement Chapter 148C, <u>Code of Iowa</u> , as amended by HF 628 by rescinding all references to registration. Applicants may apply for licensure before obtaining a supervising physician. Physician assistants may place their licenses on inactive status if they are not currently practicing in Iowa, which will decrease reinstatement fees.	The net fiscal impact will be an estimated cost of \$23,000 in General Funds. There will be an estimated loss of revenue to the State General Fund in the amount of \$3,550 due to the elimination of registration fees and a decrease in the number of reinstatement fees. There will be a minimal cost of \$19,000 due to these changes with the majority of the impact due to the need to update the mainframe program.
Department of Public Health		LSA Contact: Lisa Burk 1-7942
ARC 2683B	Birth Defects Institute.	The Department has not submitted a fiscal impact statement.
ARC 2684B	Immunizations of persons attending elementary or secondary schools or licensed child care centers.	The Department has not submitted a fiscal impact statement.
ARC 2653B	Addition of varicella vaccine to list of immunizations required for enrollees in licensed child care centers or elementary or secondary schools.	The Department has not submitted a fiscal impact statement.
ARC 2652B	Filed Emergency - Addition of varicella vaccine to list of immunizations required for enrollees in licensed child care centers or elementary or secondary schools.	The Department has not submitted a fiscal impact statement.
ARC 2682B	Out-of-hospital-do-not-resuscitate orders. Streamlines the care of patients with a known terminal condition to assure that the medical care being provided in the out-of-hospital setting is consistent with the patient's desire and their attending physician's authorization.	No fiscal impact. Education costs will be paid from existing training funds and minimal staff time will be required to implement.
Real Estate Commission (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2673B	The proposed rules reduce the license fees of real estate brokers and salespersons by \$50 for each renewal.	Estimated General Fund revenue decrease of \$170,000. This includes a decrease of \$111,000 to the General Fund, \$41,000 to the University of Northern Iowa, and \$18,000 to the Real Estate Education Director. Each person renewing his or her license will save \$50.
Revenue Department		LSA Contact: Ron Robinson 1-6256
ARC 2711B	These amendments are proposed as a result of <u>2003 Iowa Acts, Senate File 442 (Internal Revenue Code Update II)</u> . The Act decouples Iowa tax law from the federal bonus depreciation allowed under the federal Job Creation and Worker Assistance Act of 2002.	It is estimated that SF 442 will reduce net General Fund receipts by \$717,000 for FY 2004. Individual income, corporation income and franchise taxpayers will be impacted by the rule.

ARC 2710B	These amendments are proposed as a result of 2003 Iowa Acts, House File 689 (Ethanol Tax Credits). The Act relates to the Ethanol Blended Gasoline Tax Credit created by the 200 General Assembly (see SF 716 or Chapter 123, <u>2001 Iowa Acts</u>).	It is estimated that HF 689 will decrease projected General Fund revenues by approximately \$45,000. Individual income, corporation income and franchise taxpayers will be impacted by the rule.
ARC 2686B	Pursuant to <u>2003 Iowa Acts</u> , Senate File 375 (Non-Participatory Tobacco Manufacturers), the rules require the Department to publish a directory listing all tobacco product manufacturers that have provided current and accurate certification and all brand families that are listed in the certification	The Department received an appropriation of \$50,000 to carryout the provisions of SF 375.
Department of Transportation		LSA Contact: Mary Beth Mellick 1-8223
ARC 2688B	Implements Department policy concerning the use of the Iowa transportation map.	No fiscal impact.
ARC 2662B	New rules apply to utility facilities occupying primary highway right-of-way, including increasing fees for utility facility attachments to bridges and longitudinal occupancy of freeway right-of-way.	<u>Bridge attachments:</u> Primary Road Fund: A net revenue increase of \$5,200 in the first year, up to a net revenue increase of \$6,500 in the fifth year. <u>Longitudinal freeway installations:</u> Living Roadway Trust Fund: A net revenue increase of \$54,000 in the first year, up to a net revenue increase of \$72,000 in the fifth year.
ARC 2689B	Allows the Office of Motor Carrier Services to maintain, in electronic form, all records required under Chap. 500 to the fullest extent possible.	No fiscal impact. The proposed rule will reduce the cost of filing, storing, and maintaining paper records, and will enable existing workload to be accomplished more efficiently.
ARC 2690B	Amends rule 520.1 to adopt federal rules and regulations that will allow the Department of Transportation (DOT) to conduct safety audits of new motor carriers, and to extend hours-of-service regulations of motor vehicle enforcement. Also adopts rule 520.5 to clarify the authority of the DOT's Office of Motor Vehicle Enforcement to conduct the safety audits.	No fiscal impact. Current staff will absorb additional costs for safety audits. The Office of Motor Vehicle Enforcement estimates that it will perform 600 audits per year, at four hours per audit, at \$23.75 per hour, for a total increase in expenditures of approximately \$57,000 per year. Costs will be reimbursed with federal funds, and deposited into the Road Use Tax Fund and Primary Road Fund.
Utilities Division (Commerce Dept.)		LSA Contact: Ron Robinson 1-6256
ARC 2724B	The proposed rules would require a utility to offer a customer who has broken a payment agreement the opportunity to enter into a second payment agreement that would be paid off by the following October 15.	The Board has not been able to estimate the financial effect of the proposed amendment. For rate regulated utilities requiring a second payment agreement will likely increase bad debt expense and thus increase the rate regulated utilities cost of providing service. There may be a similar effect on cooperatives. There may be a financial effect similar to rate-regulated utilities from this amendment on municipal utilities.

ARC 2681B	The rule modifies disconnection notice requirements.	<p>This will affect electric and gas utilities differently. If a utility has to print additional notices then there will be an added expense. If the utility would have to print notices in the ordinary course of business, then the amendments will not add additional costs. There are 219 electric and gas utilities affected by these amendments.</p> <p>There are 167 municipal electric and gas utilities. The Board is not able to estimate the impact on expenditures of each of these utilities that will result from the revision of the rights and remedies notice.</p>
ARC 2725B	The proposed rules would change the temperature below which a utility cannot disconnect a customer's gas or electric service from 20 degrees Fahrenheit to 32 degrees Fahrenheit.	<p>The Board has not been able to estimate the financial effect of the proposed amendment. For rate-regulated utilities the raising of the temperature will increase bad debt and thus increase the rate regulated utilities cost of providing service. There may be a similar effect on cooperatives.</p> <p>There may be a financial effect similar to rate-regulated utilities from this amendment on municipal utilities.</p>
ARC 2680B	The proposed rules reflect the Board's current practices with respect to rate-regulated incumbent local exchange carriers (ILECs) and with respect to competitive local exchange carriers (CLECs) that compete with incumbent local exchange carriers that have lower intrastate access charges.	<p>The amended rule will apply to rate-regulated local exchange carriers operating pursuant to price regulation plans under Section 476.97, <u>Iowa Code</u>. However, the access charges for those carriers (Qwest Corporation, Iowa Telecommunications Services, Inc., and Frontier Communications of Iowa) are set pursuant to the terms of the price regulation statute, so the proposed amendments will not affect their access charges.</p> <p>The amended rule will also apply to competitive local exchange carriers (CLECs) that compete with incumbent carriers with lower access charges. For those competitive local exchange carriers, the rule will reduce their access revenues by 3 cents per minute. The Board does not have information concerning the number of minutes of access services provided by those competitive local exchange carriers.</p>
ARC 2506B	The Board is adopting a new chapter, 199 IAC 42, to address recent legislation related to the fees and procedures for public utilities crossing railroad rights-of-way with their wires and pipelines.	The fiscal impact cannot be determined since information pertaining to the costs of liability policies and the prior cost of easements cannot be obtained.
Department of Workforce Development		LSA Contact: Russ Trimble 1-4316
ARC2671B	Amends chapters relating to Claims and	The Department has not submitted a fiscal

	Benefits. Makes corrections that were identified as a result of reviews conducted in accordance with Executive Order Number 8.	impact statement.
ARC2696B	Amends chapters relating to Benefit Payment Control and Public Records and Fair Information Practices. Makes corrections that were identified as a result of reviews conducted in accordance with Executive Order Number 8.	The Department has not submitted a fiscal impact statement.
Veterans Home		LSA Contact: Sue Lerdal 1-7794
<p>Special Review: The Iowa Veterans Home changed administrative rules this spring relating to the personal needs allowance of veterans. The allowance is the amount of money residents retain for personal needs from funds remitted to the Home for the resident's portion of the cost of care at the Home. For Medicaid recipients in nursing facilities in Iowa other than the Veterans Home, the monthly allowance is \$30. For veterans at the Iowa Veterans Home, this allowance prior to the administrative rule change was \$90 per month. The administrative rule change increases the allowance for the residents to \$120 per month. Medicaid will not be increasing the allowance; therefore there is no impact to the Medical Assistance (Medicaid) budget. The Veterans Home indicates the loss of revenue from this change would be approximately \$300,000 per year. The Special Review is taking place at this time in preparation for the Veterans Home filing a formal administrative rule change with the Administrative Rules Committee.</p>		

Please contact the LSA analyst listed for each rule, Jennifer Vermeer (281-4611), or Tim Faller (281-4615) if you have any questions.

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