

**EIGHTY-EIGHTH GENERAL ASSEMBLY
2020 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

March 3, 2020

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 2288	S-5040	Filed	JULIAN GARRETT

Fiscal Notes

[SF 601](#) — [Pesticide Applicator Fee](#) (LSB2586SZ.1)

[SF 2200](#) — [Insurance, Cemetery and Preneed Omnibus](#) (LSB5362SV)

[SF 2248](#) — [Motor Vehicle Driving, Hands-Free Device for Cell Phones](#)
(LSB5805SV)

[SF 2275](#) — [Eluding Law Enforcement](#) (LSB5317SV)

[SF 2342](#) — [Diagnostic Imaging, Insurance](#) (LSB6090SV)

[SF 2366](#) — [Welfare Work Requirements](#) (LSB6111SV)

[SF 2372](#) — [Construction Contractor Boards](#) (LSB5289SV)

[SF 2390](#) — [Cyber Crime Investigation Bureau](#) (LSB5247SV)

SENATE FILE 2288

S-5040

1 Amend Senate File 2288 as follows:

2 1. Title page, by striking lines 1 and 2 and inserting <An
3 Act pertaining to immunity from liability for reasonable and
4 necessary physical contact with a student.>

By JULIAN GARRETT

S-5040 FILED MARCH 2, 2020



SF 601 – Pesticide Applicator Fee (LSB2586SZ)

Analyst: Debra Kozel (515.281.6767) deb.kozel@legis.iowa.gov

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Fiscal Note Version – As Passed by the Senate Appropriations Committee

Description

[Senate File 601](#) creates the Pesticide Administration and Enforcement Fund under the administration of the Department of Agriculture and Land Stewardship (DALs). Currently, the fees that are collected every three years for the certification of pesticide applicators are deposited into the General Fund. The Bill redirects the fees into the new Pesticide Administration and Enforcement Fund for the enforcement of the Pesticide Act of Iowa (Iowa Code chapter [206](#)).

Background

A person who applies a restricted-use pesticide must be certified as one of the following types of applicators and must pay a triennial fee. The person must also pass an exam or attend a continuing education course. The types of applicators include:

- Commercial applicator, who is in the business of applying pesticides.
- Public applicator, who is employed to apply pesticides by the State or a local government.
- Private applicator, who applies or supervises the use of pesticides on property the applicator owns or leases.

Assumptions

- The four-year average for pesticide application fees collected from FY 2016 through 2019 was approximately \$450,000.
- Assumes the fees collected will remain approximately the same in FY 2021. The DALs will use the funds to administer and enforce the Pesticide Act of Iowa.

Pesticide Applicator Fees Collected				
Fiscal Year	Commercial	Private	Total Fees	
2016	\$ 347,647	\$ 83,675	\$ 431,322	
2017	\$ 371,950	\$ 112,690	\$ 484,640	
2018	\$ 376,323	\$ 90,885	\$ 467,208	
2019	\$ 335,295	\$ 76,965	\$ 412,260	
Average	\$ 357,804	\$ 91,054	\$ 448,857	

Fiscal Impact

The estimated fiscal impact of [Senate File 601](#) is an annual reduction of fee revenue of \$450,000 to the General Fund beginning in FY 2021, and an annual increase of \$450,000 to the Pesticide Administration and Enforcement Fund.

Source

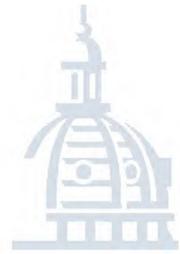
Department of Agriculture and Land Stewardship

/s/ Holly M. Lyons

March 2, 2020

Doc ID 1132139

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



[SF 2200](#) – Insurance, Cemetery and Preneed Omnibus (LSB5362SV)
Staff Contact: Angel Banks-Adams (515.281.6301) angel.banks-adams@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2200](#) provides for the following significant fiscal changes:

- Imposes a monetary penalty on and the suspension or revocation of the license of a person who violates any order of the Insurance Commissioner, rather than limiting the penalty and suspension or revocation to those violating cease and desist orders.
- Allows the Insurance Commissioner to deposit penalties that have been collected due to insurers' failure to file a timely own risk and solvency assessment report into the Department of Commerce Revolving Fund and into the Insurance Division Regulatory Fund. Under current law, these penalties are to be transferred to the State General Fund.
- Adds a new late fee of \$5 per day (not to exceed \$500) when a preneed seller, preneed sales agent, and a perpetual care cemetery is at least 15 days late in the filing of its annual preneed sales report.
- Eliminates the \$500,000 cap for funds that may be retained in the Insurance Division Regulatory Fund.
- Eliminates the \$50,000 cap for funds that may be retained in the Insurance Division Enforcement Fund.
- Increases the examination fee that is deposited into the Insurance Division Enforcement Fund from \$5 to \$10.

Background

The monetary penalty of individuals violating cease and desist orders is a maximum of \$1,000 for each offense and an aggregate penalty of no more than \$10,000 per individual, or, if the individual committed the offense knowingly, \$5,000 for each offense and an aggregate penalty of no more than \$50,000. Under the Bill, the same penalty will be imposed for an individual's violation of any order issued by the Division. To date, this penalty has not been assessed. The Bill allows the Insurance Commissioner to deposit penalties that have been collected due to insurers' failure to file a timely own risk and solvency assessment report into the Commerce Revolving Fund instead of transferring collected funds to the General Fund. To date, this penalty has not been assessed.

Beginning in 2005, the Insurance Division's Regulatory Fund has used industry fees to cover the expenses of receiverships, or arrangements for managing the finances and groundskeeping for cemeteries that have become insolvent. In 2007, the amount that could be retained in the Division's Regulatory Fund was increased from \$200,000 to \$500,000. Approximately \$160,000 is deposited into the Regulatory Fund annually. The Division currently operates four receiverships: Fairmount in Davenport, Springdale in Clinton, Fort Dodge Memorial Park in Fort Dodge, and Joyce Funeral Home in Emmetsburg.

Cemeteries that do not sell preneed products cannot receive transfers from the Regulatory Fund, and are limited to funds from the Enforcement Fund, which includes fees collected from the purchase of burial plots, to cover costs. The Enforcement Fund receives approximately \$23,000 annually in revenues.

The Division indicated that imposing the new assessment of late filing fees specified in the Bill on preneed sellers, preneed sales agents, and perpetual care cemeteries that are at least 15 days late in filing preneed sales reports could have resulted in an increase in Division Enforcement Fund revenue of approximately \$5,000 to \$20,000 in fiscal years 2017 to 2019, if the maximum late fee of \$500 was assessed on the late filers for those fiscal years.

Assumptions

- The number of late filers of annual preneed sales reports has increased, with 40 late-filers in FY 2019, compared to 10 late-filers in FY 2017.
- Approximately 50 filers will be charged a late fee of \$5 per day for 50 days.
- The number of receiverships being operated by the Division has increased as more cemeteries across the State have become insolvent. Currently, approximately 55.0% of deceased individuals are cremated, which is a positive trend when compared to previous years.

Fiscal Impact

The fiscal impact cannot be determined for the assessment of a monetary penalty on an individual violating any order from the Division, or for the deposit of penalties into the Department of Commerce Revolving Fund instead of the General Fund. These would include penalties assessed on insurers for failure to file a timely risk and solvency assessment report.

The fiscal impact of increasing the examination fee that is deposited into the Insurance Division Enforcement Fund from \$5 to \$10 could result in an additional \$23,000 in revenue to be deposited into the Fund. Cemeteries that do not sell preneed products would use the additional fee revenue.

The fiscal impact of the late filing fee on preneed sellers, preneed sales agents, and perpetual care cemeteries is estimated to be minimal at \$12,500.

Sources

Insurance Division

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1130956

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 2248 – Motor Vehicle Driving, Hands-Free Device for Cell Phones (LSB5805SV)
 Staff Contact: Adam Broich (515.281.8223) adam.broich@legis.iowa.gov
 Fiscal Note Version – New

Description

[Senate File 2248](#) prohibits any use of an electronic communication device while driving. Under the Bill, the scheduled fine for using an electronic communication device remains at current law, which is \$30. The use of an electronic communication device would be a moving violation. A moving violation can be considered for purposes of administrative suspension of a driver’s license or to establish habitual offender status.

Single Citation		
Penalty	\$	30.00
Surcharge (35.0%)		10.50
Court Cost		60.00
Total	\$	100.50

The Bill allows use of an electronic communication device under the following circumstances:

- Use in voice-activated or hands-free mode.
- Use by members of a public safety agency performing official duties.
- Use by health care professionals in the course of emergency situations.
- Use for the purpose of receiving safety-related information.
- Use for the purpose of reporting an emergency situation.
- Use by certain radio operators.

A peace officer is required to issue a warning memorandum in lieu of a citation for violations that occur during the period of time between July 1, 2020, the effective date of the Bill, and January 1, 2021.

Background

Current law prohibits the use of hand-held electronic communication devices to write, send, or view electronic messages while driving a motor vehicle. The fine for this violation is \$30. The violation is not considered a moving violation. Persons under the age of 18 are currently prohibited from using an electronic communication device while driving a motor vehicle (Iowa Code section [321.178](#)). For FY 2019, convictions under Iowa Code section [321.276](#) totaled 1,658, and 42 convictions were issued to individuals under age 18 for using an electronic communication device.

A criminal penalty surcharge is applied to the scheduled fine. Ninety-five percent of the surcharge is remitted to the State. Of the State’s share, 83.0% is deposited in the General Fund and 17.0% in the Victim Compensation Fund. The remaining 5.0% of the surcharge is remitted to the city or county where the infraction occurred.

Correctional Impact

[Senate File 2248](#) is estimated to have a minimal correctional impact. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

Convictions issued under Iowa Code section [321.276](#) are displayed in the table below. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Iowa Code Section 321.276 Convictions by Ethnicity								
	White	Black	Hispanic	Asian	Nat. Am.	Other	Unknown	Total
2018	1,204	60	10	32	6	31	283	1,626
2019	1,225	62	20	32	3	42	274	1,658

Assumptions

- The state of Utah enacted a similar law beginning in May 2014. From 2016 to 2019, the state averaged 2,667 convictions per year for operating an electronic communication device while driving. Utah has 1.9 million drivers. Utah's conviction rate was 133.7 per 100,000 licensed drivers.
- Iowa has 2.2 million drivers and it is estimated that there will be 1,700 violations of existing law in FY 2020, which assumes the same conviction rate as Utah. Convictions in FY 2021, which reflect six months of warning and six months of enforcement, will be 1,500 and will average 3,000 per year beginning in FY 2022.
- A lag time of six months is assumed from the effective date of the Bill to the date of the first violations collected. The collection rate for the scheduled violation is estimated to be 61.0%.

Fiscal Impact

The table below displays the estimated fiscal impact of the changes enacted in the Bill.

Estimated Revenue			
	FY 2020*	FY 2021*	FY 2022
General Fund			
Penalty Revenue	\$ 31,000	\$ 16,000	\$ 55,000
Surcharge Revenue	9,000	4,000	15,000
Court Costs	62,000	31,000	110,000
Subtotal	<u>\$ 102,000</u>	<u>\$ 51,000</u>	<u>\$ 180,000</u>
Other			
Victim Comp. Fund	\$ 2,000	\$ 1,000	\$ 3,000
Local Jurisdiction	1,000	300	1,000
Grand Total	<u>\$ 105,000</u>	<u>\$ 52,300</u>	<u>\$ 184,000</u>

*Enforcement in FY 2020 will be under existing law, and FY 2021 reflects six months of warnings and six months of enforcement.

Sources

LSA calculations

Criminal and Juvenile Justice Planning Division, Department of Human Rights

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1131118

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2275](#) – Eluding Law Enforcement (LSB5317HV)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – Revised Fiscal Estimate

Description

[Senate File 2275](#) relates to the criminal offense of eluding or attempting to elude a pursuing law enforcement vehicle. The Bill enhances penalties in Iowa Code section [321.279](#), specifically for a second or subsequent criminal offense of eluding or attempting to elude a law enforcement vehicle. Under [SF 2275](#), a driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(1) is guilty of an aggravated misdemeanor. The driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(2) is guilty of a Class D felony, and a driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(3) is guilty of a Class C felony.

Additionally, [SF 2275](#) prohibits a court from ordering a deferred sentence or deferred judgment for the driver of a motor vehicle convicted of eluding or attempting to elude a pursuing law enforcement vehicle while exceeding the speed limit by 25 miles per hour or more and while violating Iowa Code section [321J.2](#) by operating a motor vehicle while intoxicated (OWI).

Background

Under current law, a driver of a motor vehicle who commits a violation of Iowa Code section [321.279](#)(1) by willfully failing to bring a motor vehicle to a stop or otherwise eluding or attempting to elude a marked law enforcement vehicle is, upon conviction, guilty of a serious misdemeanor. Iowa Code section [321.279](#)(2) states that a driver of a motor vehicle who willfully fails to bring a motor vehicle to a stop or otherwise eludes or attempts to elude a marked law enforcement vehicle, and in doing so, exceeds the speed limit by 25 miles per hour or more, is, upon conviction, guilty of an aggravated misdemeanor. Additionally, a driver of a motor vehicle is, upon conviction of violating Iowa Code section [321.279](#)(3), guilty of a Class D felony. A violation of Iowa Code section [321.279](#)(3) occurs when the driver of a motor vehicle willfully fails to bring a motor vehicle to a stop or otherwise eludes or attempts to elude a marked law enforcement vehicle, and in doing so, exceeds the speed limit by 25 miles per hour or more, and any of the following also occur:

- The driver participates in a public offense as defined in Iowa Code section [702.13](#) that is classified as a felony.
- The driver violates Iowa Code section [321J.2](#) by operating a motor vehicle while under the influence of alcohol or a drug or while having a blood alcohol concentration of .08 or more, or while committing a controlled substance violation under Iowa Code section [124.401](#).
- The offense results in bodily injury to a person other than the driver.

In FY 2019, there were 35 convictions newly admitted to prison as a result of the most serious violations of Iowa Code section [321.279](#). Of these new convictions, 12 were classified as aggravated misdemeanors, and 23 were classified as Class D felonies. Additionally, in FY 2019 there were 31 individuals who entered prison as a result of probation revocation for a most serious offense of Iowa Code section [321.279](#). Of these 31 probation revocations, three were classified as aggravated misdemeanors, and 28 were classified as Class D felonies.

In FY 2019, a total of 135 offenders entered probation for a most serious offense of Iowa Code section [321.279](#), and a total of 25 offenders entered parole.

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315, but no more than \$1,875.

An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$650, but no more than \$6,500.

A Class D felony is punishable by confinement for no more than five years and a fine of at least \$750, but no more than \$7,500.

A Class C felony is punishable by confinement for no more than 10 years and a fine of at least \$1,000, but no more than \$10,000.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- In order to extrapolate length of stay cost per month using daily cost data, it is assumed that the average length of one month is 30.4 days.

Correctional Impact

The correctional impact of [SF 2275](#) on new admissions to the correctional system cannot be determined. The Bill enhances penalties for all second or subsequent offenses of Iowa Code section [321.279](#), and the number of new convictions, as well as the number of any potentially redistributed convictions, cannot be determined. The Department of Corrections (DOC) expects that the proposed enhanced penalties will likely increase costs for the Department, as the redistribution of convictions into a higher crime class will result in an increase in the number of prison admissions and the average length of stay per offender. See the Fiscal Impact at the end of this Fiscal Note.

Table 1 provides estimates for sentencing to State prison, parole, probation, or Community Based Corrections (CBC) residential facilities; length of stay under those supervisions; and supervision marginal costs per day for all serious misdemeanor, aggravated misdemeanor, Class D felony, and Class C felony convictions. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Table 1 — Sentencing and Length of Stay Estimates

Conviction Offense Class	Percent to Prison	FY 19 Avg Length of Stay Prison (months)	FY 19 Marginal Cost/Day Prison	FY 19 Avg Length of Stay Parole (months)	FY 19 Marginal Cost/Day Parole	Percent to Probation	FY 19 Avg Length of Stay Probation (months)	FY 19 Avg Cost/Day Probation	Percent to CBC Residential Facility	FY 19 CBC Marginal Cost/Day	Percent to County Jail	Avg Length of Stay in County Jail	Marginal Cost per Day
Class C Felony (Non-Persons)	77.0%	15.6	\$20.38	18.7	\$6.12	64.0%	35.6	\$6.12	13.0%	\$12.58	30.0%	N/A	\$50.00
Class D Felony (Non-Persons)	76.0%	12.2	\$20.38	13.0	\$6.12	64.0%	31.8	\$6.12	12.0%	\$12.58	29.0%	N/A	\$50.00
Aggravated Misdemeanor (Non-Persons)	32.0%	6.9	\$20.38	5.9	\$6.12	51.0%	19.3	\$6.12	3.0%	\$12.58	68.0%	N/A	\$50.00
Serious Misdemeanor	2.0%	5	\$20.38	2.4	\$6.12	56.0%	13.4	\$6.12	1.0%	\$12.58	69.0%	N/A	\$50.00

Minority Impact

The minority impact of [SF 2275](#) is as follows: African Americans comprised 3.6% of the adult population of the State in FY 2019 and 19.6% of the convictions for Iowa Code section [321.279](#) offenses in FY 2019. This exceeds the population proportion of the State, which would lead to a racial impact if trends remain constant. Due to low numbers of other minority populations, the impact on those populations cannot be assessed. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system. **Table 2** provides a breakdown of the demographics of FY 2019 convictions under Iowa Code section [321.279](#) in relation to the percentage of the State’s population.

Table 2 — FY 2019 Convictions and Population Percentage

Demographic	Percentage of FY 2019 Convictions under Iowa Code section 321.279	Demographic Percentage of Iowa's Total Population
White	66.9%	90.2%
African American	19.6%	3.6%
Hispanic	3.2%	6.2%
Other/Unknown	2.7%	3.0%

Fiscal Impact

The change in the number of admissions that will result from [SF 2275](#) cannot be determined. However, if the same number of admissions occur in FY 2021 that occurred in FY 2019, and those offenses reclassified to the new offenses under [SF 2275](#), there would be an estimated cost increase to the DOC of \$164,500 in FY 2021 and \$329,000 in subsequent fiscal years.

Table 3 shows estimates for the average State cost per offense class type. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one additional conviction. The cost for prison and parole supervision would be incurred across multiple fiscal years.

Table 3 — Average State Cost per Offense Type

Offense	Total Minimum Cost	Total Maximum Cost
Class C Felony	\$ 11,600	\$ 19,400
Class D Felony	\$ 10,000	\$ 14,700
Aggravated Misdemeanor	\$ 5,600	\$ 8,000

Table 4 shows the costs to the DOC associated with the FY 2019 admissions and **Table 5** shows the estimated cost for FY 2021 based on the reclassification of offenses under [SF 2275](#). Both tables utilize the sentencing and length of stay data provided in **Table 2**.

Table 4 — Supervision Costs, FY 2019 Admissions for a Most Serious Violation of Iowa Code Section 321.279 Offenses (Current Law)

Admission Type (Current Law)	Crime Class (Current Law)	Admission Count	Fiscal Estimate (Current Law)
New Prison Admission			
	Class D Felony	23	\$ 173,846
	Aggravated Misdemeanor	12	\$ 51,299
Prison Admission - Probation Revocation			
	Class D Felony	28	\$ 211,639
	Aggravated Misdemeanor	3	\$ 12,285
Probation Admission			
	Class D Felony	76	\$ 449,641
	Aggravated Misdemeanor	48	\$ 172,355
	Serious Misdemeanor	11	\$ 45,433
Parole Admission			
	Class D Felony	21	\$ 50,791
	Aggravated Misdemeanor	4	\$ 18,977
	Total		\$ 1,186,266

Table 5 — Supervision Costs and Admissions for a Most Serious Violation of Iowa Code Section 321.279 Offenses (Proposed Law)

Admission Type (Proposed Law)	Crime Class (Proposed Law)	Admission Count	Fiscal Estimate (Proposed Law)
New Prison Admission			
	Class C Felony	23	\$ 222,295
	Class D Felony	12	\$ 90,702
Prison Admission - Probation Revocation			
	Class C Felony	28	\$ 270,620
	Class D Felony	3	\$ 22,676
Probation Admission			
	Class C Felony	76	\$ 503,371
	Class D Felony	48	\$ 283,984
	Aggravated Misdemeanor	11	\$ 39,293
Parole Admission			
	Class C Felony	21	\$ 73,061
	Class D Felony	4	\$ 9,674
	Total		\$ 1,515,678



[SF 2342](#) – Diagnostic Imaging, Insurance (LSB6090SV)
 Staff Contact: Angel Banks-Adams (515.281.6301) angel.banks-adams@legis.iowa.gov
 Fiscal Note Version – New

Description

[Senate File 2342](#) requires a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses to provide coverage for diagnostic breast cancer examinations, which are defined as medically necessary examinations of an abnormality for the purpose of detecting breast cancer. The requirement would become effective on January 1, 2021.

Background

Under Wellmark’s current plan designs for State of Iowa, there is typically no cost to Plan members for copayments, coinsurance, and deductibles for preventive/screening mammograms, ultrasounds, and magnetic resonance imaging (MRI) procedures. However, if the screening, ultrasound, or MRI procedure is diagnostic in nature, the Plan member assumes a cost-sharing liability in the form of copayments, coinsurance, and deductibles. Under the Bill, this cost-sharing arrangement would apply to breast cancer examinations as well, and the cost-sharing would be shifted from the State of Iowa Plan member to the Plan.

Assumptions

- Mammograms will account for most preventive imaging services as described in the Bill.
- Under Wellmark’s plan designs, diagnostic services, including examinations, are paid through a cost-sharing arrangement using copayments, coinsurance, and/or deductibles.
- The cost that is currently paid by members for breast cancer examinations will shift to the State of Iowa Plan beginning in FY 2021.
- The cost of these services and the utilization of these services are projected to increase by 5.3% annually.

Fiscal Impact

The fiscal impact of [SF 2342](#) for shifting the share of costs associated with diagnostic breast cancer examinations from Plan members to the Plan is approximately \$122,000 in FY 2021 and \$129,000 in FY 2022. This amount represents less than 0.1% of the total amount paid by the State of Iowa Plan for medical and pharmaceutical expenses.

**Cost-Sharing Changes Under SF 2342
for Diagnostic Breast Cancer Examinations**

	Fiscal Year	Plan Share	Member Liability	Services Performed
Current Law	2018	\$ 544,256	\$ 131,125	4,330
	2019	530,120	110,029	4,131
	2020	558,550	115,930	4,353
SF 2342	2021	710,228	0	4,586
	2022	876,414	0	4,832

The exact fiscal impact to other plans administered by other carriers is unknown, but is expected to be above \$100,000 annually.

Source

Wellmark

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1131923

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2366](#) – Welfare Work Requirements (LSB6111SV)
Staff Contact: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2366](#) relates to work, employment and training requirements for public assistance programs, and childcare, and does the following:

Section 1 provides that unless required by federal law, the Department of Human Services (DHS) shall not seek, apply for, accept, or renew any waiver of work requirements for Supplemental Nutrition Assistance Program (SNAP) benefits.

Section 2 requires the DHS to assign individuals receiving SNAP benefits, subject to requirements established under federal law so they may participate in the Employment and Training (E&T) Program.

Section 3 provides that if families were previously eligible for the Child Care Assistance Program, they would be eligible for a graduated eligibility phaseout program if their income is at least 185.0% of the federal poverty level (FPL) but less than 225.0% FPL for basic care, or if their income is at least 200.0% FPL but less than 250.0% FPL for special needs care. In addition, families with income at 225.0% FPL for basic care or 250.0% FPL for special needs care would be required to pay a copayment of 50.0% of the cost of care currently reimbursed by the DHS.

Section 4 prohibits a person from being eligible for Medicaid unless the individual meets one of the work-related requirements specified in the Bill. The Bill specifies those individuals exempt from the work-related requirements.

Sections 5-7 require the DHS to submit any State Plan amendment or waiver necessary to implement the Bill no later than January 1, 2021, and to adopt administrative rules as necessary to administer the Bill. The Bill takes effect upon enactment and the provisions of the Bill that do not require federal approval are required to be implemented beginning January 1, 2021; and those that require federal approval shall be implemented only upon receipt by the DHS of such federal approval.

Background

While adding work requirements as a condition of eligibility does not conflict with existing federal law, other states have experienced lawsuits and legal implications after receiving approval from the Centers for Medicare and Medicaid Services (CMS) to impose community engagement or work activity requirements.

For additional background on the child care section, please see the [Fiscal Note](#) published on February 27, 2020, for [HF 2424](#).

Assumptions

All increases in staffing are assumed for six months in FY 2021 and for a full year in FY 2022. The federal match rate varies from 0.0% to 100.0% for Programs and activities. Total cost and State share are depicted in the table under the Fiscal Impact.

SNAP Employment and Training

- Requires 1,680 hours of contract computer work at \$105 per hour to allow the DHS to update various systems to handle referrals, cancellations for noncompliance, and automated access for Income Maintenance Workers.
- Making the SNAP E&T Program mandatory would impact 29,851 individuals receiving SNAP who are not exempt and approximately 2,985 (10.0%) would be disenrolled for noncompliance.
- The annual cost per participant for the E&T Program is \$703.41.
- Each participant will receive an additional two mailings per year for notifications, reminders, or cancellations at a cost of \$0.60 per mailing.
- At an 800:1 participant to staff ratio, an additional 37.0 Income Maintenance 2 (IM2) Full-Time Equivalent (FTE) positions would be required to track E&T.
- At an 8:1 support staff to IM2 ratio, the DHS would need an additional 5.0 Typist Advanced FTE positions.
- At a 14:1 supervisor to staff ratio, the DHS would need an additional 3.0 Income Maintenance Supervisor FTE positions.
- Each additional FTE position will require \$2,097 for computers and other technology.

Child Care Assistance Graduated Eligibility Phaseout

- The DHS Notice of Intended Action [ARC 4937C](#) brings the CCA Plus Program into federal conformity, covering families with an income not to exceed 225.0% FPL for an indefinite period of time for basic care and special needs care under the current copayment structure.
- This proposed rulemaking will be adopted and filed with an effective date no later than July 1, 2020 (FY 2021).
- A new copayment schedule based on the rate that providers charge cannot be implemented until programming changes to the provider billing portal are completed.
- Programming changes will take 2,000 hours of programming time, plus part-time work from the DHS Bureau of Project Management. This will push the launch of the graduated phaseout program into FY 2022.
- Families at 225.0% FPL or at 250.0% FPL for basic care or special needs care are not eligible for services under the Bill because the Bill's eligibility provisions require a family's income to be less than those amounts.
- Once programming is complete, no families will be eligible under the phaseout program.

Work Requirements

- Requires 38,495 hours of contract computer work at \$105 per hour to allow the DHS to update income maintenance systems and the Eligibility Integrated Application Solution eligibility system to integrate electronic reporting, compliance, and other systems changes.
- The DHS will need to send 50,397 Requests for Information (RFI) to individuals to determine if they are currently meeting work requirements at \$0.60 per mailing and 15 minutes of work for each IM2 FTE position.
- There will be an estimated 47,877 individuals enrolled in both the Medicaid and Iowa Health and Wellness Program who do not qualify for an exemption and who are not currently meeting the work requirement.
- The average annual cost per enrollee is \$5,129.47.
- The Bill does not specify any period for individuals to come into compliance with work requirements, so the estimate assumes all individuals not meeting work requirements will be disenrolled effective upon implementation January 1, 2021.
- There will be 1.0 IM2 FTE position needed to handle 2,394 appeals and 8.0 IM2 FTE positions needed to handle RFIs. Disenrolling 47,877 individuals would reduce caseloads requiring 21.0 fewer IM2 FTE positions, 1.0 fewer Typist Advanced FTE position, and 1.0 fewer Income Maintenance Supervisor FTE position.

- There will be 0.5 Management Analyst 3 FTE positions needed to monitor and evaluate reporting requirements for the demonstration waiver.
- There will be 1.0 Administrative Assistant 2 FTE position needed to handle appeals.

Fiscal Impact

[Senate File 2366](#) is estimated to have net savings to the State of \$17.3 million in FY 2021 and \$37.2 million in FY 2022, and subsequent fiscal years. This includes upfront State costs of \$6.2 million for staff, systems changes, contract, and postage in FY 2021 and ongoing State costs for staff, contract, and postage of \$10.4 million in FY 2022, and subsequent fiscal years. The estimates also include a savings to the State for the Medicaid program of \$23.8 million in FY 2021 and \$47.6 million in FY 2022 and subsequent fiscal years. Costs and savings are listed in the table below for FY 2021 and FY 2022.

This fiscal impact relates only to the Medicaid Program (total cost/state share). Hospitals and other safety net providers may be impacted if a large number of participants are disenrolled from State insurance coverage. No analysis has been done on that impact.

Fiscal Impact Estimate for SF 2366

	FY 2021		FY 2022	
	Total Cost	State Share	Total Cost	State Share
DHS Staff Cost				
DHS Staff Increase	\$ 1,005,683	\$ 444,533	\$ 2,011,367	\$ 889,066
Other IT Costs (New Computers)	73,401	47,691	0	0
Total DHS Staff Cost	\$ 1,079,084	\$ 492,224	\$ 2,011,367	\$ 889,066
Information Technology				
IT Systems Contractors	\$ 4,181,500	\$ 989,934	\$ 0	\$ 0
Miscellaneous Costs				
Education & Training Contract	\$ 9,448,907	\$ 4,724,453	\$ 18,897,813	\$ 9,448,907
Postage for E&T Participants	16,120	8,060	32,239	16,120
Postage for Medicaid Participants	15,119	7,439	30,238	14,878
Total Miscellaneous Costs	\$ 9,480,145	\$ 4,739,952	\$ 18,960,290	\$ 9,479,904
Program Savings				
Medicaid Enrollment Reductions	\$-122,791,906	\$-23,790,703	\$-245,583,813	\$-47,581,407
Total Program Savings	\$-122,791,906	\$-23,790,703	\$-245,583,813	\$-47,581,407
SF 2366 Total Savings	\$-108,051,177	\$-17,568,594	\$-224,612,155	\$-37,212,437
*Totals may not sum due to rounding.				

Source

Department of Human Services

/s/ Holly M. Lyons

March 2, 2020

Doc ID 1131333

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



SF 2372 – Construction Contractor Boards (LSB5289SV)
 Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
 Fiscal Note Version – New

Description

[Senate File 2372](#) concerns government regulation relating to State building code requirements, private investigative agencies, and elevator regulation. The provision with an estimated significant fiscal impact requires the Labor Commissioner to establish a process by rule whereby a conveyance permit holder may submit a written report regarding the abatement of an unsafe condition in a conveyance identified in an inspection. The Bill requires the Labor Commissioner to accept the report in lieu of an additional inspection, and the report is to be considered an inspection report for purposes of Iowa Code chapter [89A](#) (Elevators).

Background

Fees from the inspection of conveyances are deposited in the Elevator Safety Fund.

Assumptions

- Under current law, 1,500 additional conveyance inspections take place annually, with the permit holder paying a fee of \$300 for each additional inspection.
- Under this Bill, the number of additional inspections will decrease by 90.0% (1,350) annually.
- Periodic inspection fees are \$100 each.
- Labor Commissioner staff will conduct 1,350 required periodic inspections of other conveyances instead of performing an additional inspection of the conveyances that had an identified unsafe condition.

Fiscal Impact

[Senate File 2372](#) will reduce revenue to the Elevator Safety Fund by an estimated \$270,000 annually beginning with FY 2021.

Estimated Impact of SF 2372			
Elevator Safety Fund			
	<u>Current Law</u>	<u>SF 2372</u>	<u>Change</u>
Additional Inspections	\$ 450,000	\$ 45,000	\$ -405,000
Periodic Inspections	0	135,000	135,000
Annual Grand Total	\$ 450,000	\$ 180,000	\$ -270,000

Sources

Iowa Department of Workforce Development, Division of Labor Services
Iowa Department of Public Safety

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1131679

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[SF 2390](#) – Cyber Crime Investigation Division (LSB5247SV)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2390](#) establishes a Cyber Crime Investigation Division within the Department of Public Safety (DPS). The Division is charged with investigating crimes that have a nexus to the Internet or computer technology, including crimes involving child exploitation and cyber intrusion. The Bill grants the Division the authority to carry out the following tasks:

- Conduct investigations and forensic analyses of criminal cases involving computer technology.
- Research and provide training to assist other governmental agencies in prosecuting cases related to cybercrime.
- Provide investigative and prosecutorial assistance to other governmental agencies involved with cybercrime.

Additionally, [SF 2390](#) directs the Commissioner of Public Safety to dedicate two full-time equivalent (FTE) positions to the Division, as well as allowing for additional staff to be hired if the need arises.

Background

The Division of Criminal Investigation in the DPS oversees an existing Cyber Crime Unit that focuses primarily on investigations involving online exploitation of children and acts as the lead agency in the State under the Internet Crimes Against Children (ICAC) Task Force. The Unit also responds to both cyber intrusions and other non-child exploitation cyber investigations.

Assumptions

- Cyber investigations require both investigative and forensic expertise.
- The skills and training required to conduct online child exploitation investigations differ greatly from those needed to investigate cyber intrusion or other cybercrimes not involving child exploitation. Any additional hires under [SF 2390](#) would need to accommodate these special skills and training.

Fiscal Impact

Due to the complex nature of the investigative and forensic examinations that would be completed by the Cyber Crime Investigation Division established by [SF 2390](#), the DPS estimates that it would need to hire both a new investigator and a new forensic examiner. These positions would be classified as Special Agent 2 positions. Costs associated with filling these FTE positions and the implementation of [SF 2390](#) are provided in the table below.

**Cyber Crime Division: Estimated Personnel and Implementation Costs,
FY 2021 – FY 2023**

Category	Cost		
	FY 2021	FY 2022	FY 2023
Salary and Benefits			
Special Agent 2: Investigator	\$ 150,000	\$ 150,000	\$ 150,000
Special Agent 2: Forensic Examiner	\$ 150,000	\$ 150,000	\$ 150,000
Forensic Equipment	\$ 20,000	\$ 20,000	\$ 10,000
Investigative Equipment	\$ 50,000	\$ 40,000	\$ 20,000
Cell Phone Investigative Equipment	\$ 7,500	\$ 7,500	\$ 2,500
Forensic Training	\$ 20,000	\$ 20,000	\$ 10,000
Investigative Training	\$ 15,000	\$ 15,000	\$ 7,500
Cell Phone Training	\$ 15,000	\$ 15,000	\$ 15,000
Total	\$ 427,500	\$ 417,500	\$ 365,000

Funding for these FTE positions and related costs for the establishment and implementation of the Cyber Crime Investigation Division under the DPS would likely be appropriated from the General Fund.

Sources

Legislative Services Agency
Department of Public Safety

/s/ Holly M. Lyons

February 28, 2020

Doc ID 1131755

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
