



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

March 8, 2019

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (NOIA), Amended Notice of Intended Action (ANOIA), Notice of Termination (NOT), Adopted and Filed Emergency (AFE), Filed Emergency After Notice (FEAN), and Adopted and Filed (AF).

Table of Contents	
Agency	Page
Department of Human Services	1
Department of Natural Resources	3
State Geologist	3
Environmental Protection Commission	4
Department of Commerce/Utilities Division	4
Economic Development Authority	5
Department of Homeland Security and Emergency Management	6
Professional Licensure Division	6
Dental Board	7
Board of Pharmacy	7
Department of Transportation	8
Labor Division	8
Workers' Compensation Division	9
Department of Education	9
Department of Revenue	12
Board of Nursing	14
Department of Commerce/Insurance Division	14
Board of Educational Examiners	15
Iowa Finance Authority	15
Department of Workforce Development	15

#### Department of Human Services

#### ARC 4287C (NOIA)

**Rule Summary** Changes the assessment levels for nursing facilities from 2.18% to 3.95% effective July 1, 2019. The assessment level cap was removed during the 2018 Legislative Session in SF 2418 (FY 2019 Health and Human Services Appropriations Act). The Human Services Department, in collaboration with stakeholders, developed new assessment levels and requested an effective date of July 1, 2019.

**State or Federal Law Implemented:** Iowa Code section 249A.4 and SF 2418.

**Fiscal Impact** **Agency Response:** This rulemaking has a fiscal impact to the State of Iowa of \$100,000 annually or \$500,000 over five years. Assumptions for this fiscal impact include:

# Administrative Rules — Fiscal Impact Summaries

March 8, 2019

2

- Annual non-Medicare revenue — \$1.499 billion
- Non-Medicare resident days — 7,016,276
- Estimates were based on changes expected for FY 2020 and not on current revenue levels.

A model was developed to estimate the impact of this change. Based on this model, it is estimated that assessment fee revenues will increase from \$32.7 million under the current policy to \$58.6 million under the proposed policy, an increase of \$25.8 million. These expenditures will be 100.0% State funds.

**LSA Response:** The LSA concurs. This change is expected to increase revenues to the Quality Assurance Trust Fund by \$25.8 million in FY 2020. The increase will be generated by the increased assessment level. In addition to the revenue increase, the rulemaking is expected to increase nursing facility pass-through and add-on payments by \$17.4 million State and \$27.0 million federal for a total of \$44.4 million in FY 2020. There will be an expected unspent balance of \$8.5 million State dollars, which the Governor has recommended using to rebase nursing facility rates in FY 2020. The changes are detailed in the table below.

**FY 2020 Changes to the Quality Assurance Trust Fund**

<b>Revenues:</b>	<b>State</b>		
Current Law Pass	\$32,726,360		
Proposed Rule Pass	58,570,397		
<b>Difference</b>	<b>\$25,844,037</b>		
<b>New Expenditures:</b>	<b>State</b>	<b>Federal</b>	<b>Total</b>
Proposed Rule – Pass-Through & Add-On Expenditures Increase	\$13,385,248	\$20,830,621	\$34,215,869
Proposed Rule – Replace Current Appropriation Shortfall	3,978,848	6,192,031	10,170,879
<b>Total New Expenditures</b>	<b>\$17,364,096</b>	<b>\$27,022,652</b>	<b>\$44,386,748</b>
<b>Unspent Balance*:</b>	<b>\$ 8,479,941</b>	<b>\$13,196,800</b>	<b>\$21,676,741</b>
*The Governor recommended rebasing nursing facilities with the unspent balance. If the balance is spent on Medicaid, it will be matched with federal funds.			

## **ARC 4288C (NOIA)**

### **Rule Summary**

Makes several changes to the Consumer Choices Option (CCO) Program available within the AIDS/HIV, Brain Injury, Elderly, Health and Disability, Intellectual Disability, and Physical Disability Medicaid waivers. The changes include:

- Consolidates the CCO service description rules into one administrative subrule.
- Changes the monthly budget billing methodology for a financial management services (FMS) provider from a prepay method to a postpay method.
- Clarifies who may self-direct services.
- Clarifies budget and employer authority responsibilities and defines how the monthly CCO budget may be used by a member self-directing services.
- Makes technical changes to remove the reference to the DHS service workers who are no longer involved in the CCO program.
- Adds new member and employee responsibilities to ensure proper payment for CCO services.

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

### **Fiscal Impact**

**Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs.

# Administrative Rules — Fiscal Impact Summaries

March 8, 2019

3

## ARC 4289C (NOIA)

**Rule Summary** Revises language to reflect the Department's implementation of a passive managed care enrollment process. For Medicaid eligibility groups subject to mandatory managed care enrollment, members will be passively enrolled with a managed care plan no earlier than the first day of the month of the member's application to Medicaid, with no initial fee-for-service (FFS) period. In addition, removes outdated language to appropriately reflect the responsibility that managed care organizations (MCOs) have for retroactive eligibility periods.

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

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. Costs would be shifted from FFS claims payments to MCO cap payments, with no substantial difference. However, Home and Community-Based Services (HCBS) members do not receive any HCBS services for the first one to two months (or longer). Under the passive enrollment process, the MCO will immediately receive the HCBS cap rate, so in those instances the MCO might receive a higher payment than would have otherwise been paid out during the FFS period. The Medicaid actuary has communicated that no material fiscal impact is anticipated.

**LSA Response:** The LSA concurs.

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## Department of Natural Resources

## ARC 4279C (NOIA)

**Rule Summary** Shifts the responsibility for receiving and reviewing oil, gas, and mineral drilling applications from the State Geologist to the Director of the Department of Natural Resources (DNR) or the director's designee as a result of HF 2303 (Duties of the DNR Act), which transferred the State Geologist from the DNR to the University of Iowa.

**State or Federal Law Implemented:** Iowa Code chapter 458A.

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

**LSA Response:** The LSA concurs.

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## State Geologist

## ARC 4278C (NOIA)

**Rule Summary** Rescinds the chapter relating to the Iowa Geological Survey as a result of the Survey being transferred to the University of Iowa in HF 2303 (Duties of the Department of Natural Resources (DNR) Act). Transfers rules related to oil, gas, and mineral drilling from the Energy and Geological Resources Division to the DNR and replaces references to the State Geologist with references to the Director of the DNR or the Director's designee.

**State or Federal Law Implemented:** Iowa Code chapter 458A.

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

**LSA Response:** The LSA concurs.

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## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

4

### Environmental Protection Commission

#### ARC 4277C (NOIA)

- Rule Summary** Amends rules related to legislation passed by the Iowa Legislature and includes the following actions:
- Transfers the positions and the duties of the State Geologist and the Geological Survey from the Department of Natural Resources (DNR) to the University of Iowa as directed in HF 2303 (Duties of the DNR Act).
  - Adds an aquaculture animal unit capacity requirement for fish weighing less than 25 grams as directed in HF 2281 (Confinement Feeding Operations Act).
  - Increases the amount the DNR can be reimbursed for oversight review provided to participants in the Land Recycling Program from \$7,500 to \$25,000 per site as directed in HF 2464 (Land Recycling Fees Act). For participants who have registered sites with the DNR prior to July 1, 2018, the \$7,500 limitation remains. For participants who register sites on or after July 1, 2018, the limitation is increased to \$25,000.

**State or Federal Law Implemented:** Iowa Code sections 455B.173, 455B.263, 455H.107, and 459.102.

**Fiscal Impact** **Agency Response:** No fiscal impact for rule amendments related to the transfer of duties or the aquaculture animal capacity requirement. Minimal fiscal impact for increasing the Land Recycling Program expenditure. For FY 2018, the DNR was reimbursed \$35,000 for expenditures and the five-year average is \$23,000. The money collected is deposited into the Land Recycling Fund.

**LSA Response:** The LSA concurs.

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### Department of Commerce/Utilities Division

#### ARC 4283C (NOIA)

**Rule Summary** Amends procedures for determining the competitiveness of a communications service or facility.

**State or Federal Law Implemented:** Iowa Code sections 476.1D, 476.2, and 546.7.

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

**LSA Response:** The LSA concurs.

#### ARC 4284C (NOIA)

**Rule Summary** Updates the Utilities Board's interconnection rules to be consistent with the new Institute for Electrical and Electronics Engineers standard, the Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces.

**State or Federal Law Implemented:** Iowa Code sections 476.1, 476.8, and 476.58.

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

**LSA Response:** The LSA concurs.

#### ARC 4315C (NOIA)

**Rule Summary** Establishes procedures for a city proposing to sell a city utility to request approval of an appraiser from the Utilities Board.

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

5

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	<b>State or Federal Law Implemented:</b> Iowa Code section <u>388.2A</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 4285C (NOIA)</u></b> Amends requirements for energy efficiency and demand response plans, modifications, prudence reviews, cost-recovery tariffs, and reports filed by natural gas and electric utilities that are required to be rate-regulated to reflect modifications made through <u>Senate File 2311 (Energy Utilities Act)</u> .
	<b>State or Federal Law Implemented:</b> Iowa Code sections <u>476.2</u> and <u>476.6</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.

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### Economic Development Authority

<b>Rule Summary</b>	<b><u>ARC 4281C (NOIA)</u></b> Removes the application scoring criterion which gives brownfield or grayfield projects an additional 25.0 points if the project applied for and was registered under the Brownfield and Grayfield Redevelopment Tax Credit Program in a prior year. Removes the 12-month maximum extension for project completion.
	<b>State or Federal Law Implemented:</b> Iowa Code section <u>15.295</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 4307C (AF)</u></b> Adds four chemicals to the administrative rules definition of “building block chemical” as that term is used as a qualification for the <u>Renewable Chemical Production Tax Credit</u> . The four added chemicals include: <ul style="list-style-type: none"><li>• Benzene</li><li>• Toluene</li><li>• Xylene</li><li>• Ethylbenzene</li></ul> Iowa Code section <u>15.316</u> defines “building block chemical” as one of 41 chemicals listed by name. However, the definition also allows the Iowa Economic Development Authority to add through rules other molecules converted from biomass feedstock.  To earn a Renewable Chemical Production Tax Credit, the renewable chemical must have a biobased content of at least 50.0%.  <b>State or Federal Law Implemented:</b> Iowa Code section <u>15.316</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs. The authority to add additional chemicals to the definition of building block chemical is expressly provided in Code. Iowa Code section <u>15.318</u> limits tax credits under the program to no more than \$10.0 million annually.

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# Administrative Rules — Fiscal Impact Summaries

March 8, 2019

6

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## Department of Homeland Security and Emergency Management

**Rule Summary** **ARC 4314C (NOIA)**  
Allows for reimbursement of costs incurred by a governmental entity for a project after the project has already been approved. Reimbursement funds will be paid out from a designated flood project fund, which consists of funds received from an already existing flood mitigation or sales tax increment fund.

**State or Federal Law Implemented:** Iowa Code section 418.13 and House File 2258 (Flood Project Fund Act).

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

**LSA Response:** The LSA concurs. The Fiscal Note for HF 2258 states that local governments may experience a positive fiscal impact, but no data has been received at this time.

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## Professional Licensure Division

**Rule Summary** **ARC 4275C (ANOIA)**  
Reduces the required continuing education hours for the Board of Chiropractic from 60 hours to 40 hours for license reactivation applicants and endorsement applicants.

**State or Federal Law Implemented:** Iowa Code chapters 147 and 272C.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 4299C (AF)**  
Implements 2018 Iowa Acts, ch. 1138 (Opioid Regulation Act) for the Board of Physician Assistants to adopt rules for opioid prescribing, discipline, and continuing education.

**State or Federal Law Implemented:** Iowa Code chapters 124, 147, 148, 148C, and 272C.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 4300C (AF)**  
Revises the minimum requirements for a physician who supervises a physician assistant at a remote medical site.

**State or Federal Law Implemented:** Iowa Code chapters 147, 148, 148C, and 272C.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 4321C (AF)**  
Requires prescribing practitioners to check the prescription monitoring program before prescribing opioids and to complete continuing education regarding opioid prescribing. Adds language that allows for Board discipline for practitioners who overprescribe opioids.

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

7

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**State or Federal Law Implemented:** Iowa Code chapter 149, and section 272C.2.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Updates Board of Mortuary Science requirements on disinterment permits to be consistent with Iowa Code section 144.34.

**ARC 4306C (NOIA)**

**State or Federal Law Implemented:** Iowa Code chapters 147, 144C, 156, and 272C.

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

**LSA Response:** The LSA concurs.

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### Dental Board

**Rule Summary**      Updates rules on prescribing, administering, and dispensing drugs, and on continuing education. Updates rules on discipline to clarify and revise the disciplinary standards.

**ARC 4305C (NOIA)**

**State or Federal Law Implemented:** Iowa Code sections 147.10, 147.11, 153.15A, 153.33, 153.39, and 272C.2.

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

**LSA Response:** The LSA concurs.

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### Board of Pharmacy

**Rule Summary**      Implements 2018 Iowa Acts, chapter 1138 (Opioid Regulations Act), that requires prescribing practitioners to register for the Iowa Prescription Monitoring Program (PMP) at the same time they obtain Controlled Substances Act (CSA) registration. Allows the Board to assess a surcharge of up to 25.0% of a registration fee to be deposited into the PMP Fund and aligns language relating to disciplinary action against CSA registrants with disciplinary actions against other licensees and registrants. The proposed amendments also:

**ARC 4290C (NOIA)**

- Temporarily place six substances into Schedule I of the CSA to conform with action taken by the federal Drug Enforcement Administration (DEA).
- Add a \$90 late penalty fee for untimely applications for registration modification.
- Add a \$15 fee for written verification of a registration.
- Add a certified paramedic to the list of individuals who may dispose of a controlled substance as the result of administrative waste.
- Remove butalbital products from the current list of “Exempted Prescription Products” so that such products are not exempted from the Iowa Controlled Substances Act for purposes of reporting to the PMP.
- Implement the federal 2018 Support Act (Pub. L. No. 115-271) that allows for the disposal of controlled substances of a hospice patient by employees of a qualified hospice program.
- Make technical corrections.

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

8

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**State or Federal Law Implemented:** Iowa Code sections [124.203](#), [124.301](#), [124.302](#), [124.303](#), [124.304](#), [124.305](#), [124.551A](#), [124.557](#), and [147.80](#).

**Fiscal Impact**     **Agency Response:** No fiscal impact. While there are proposed rules to impose late penalty fees on untimely registration change applications and a fee for written verification of a registration, the anticipation is that registrants will timely apply for registration changes and utilize the Board's online verification system at no charge. Further, the Board does not intend to implement the surcharge at this time due to the fact that adequate grant funding has been secured.

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 4291C (NOIA)**  
Implements 2018 Iowa Acts, chapter [1142](#) (Administration and Dispensing of Prescription Drugs and Vaccines Act) and updates the requirements for a pharmacist to authorize a certified pharmacy technician to provide the final product verification of a prescription filled by another pharmacy employee. These changes update the former "Tech-Check-Tech" Program to the "Technician Product Verification" (TPV) Program.

**State or Federal Law Implemented:** Iowa Code sections [155A.6A](#), [155A.33](#), and [155A.33A](#).

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

**LSA Response:** The LSA concurs.

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### Department of Transportation

**Rule Summary**     **ARC 4313C (NOIA)**  
Eliminates an outdated effective date and terminology referring to "driver's license examination stations" to instead refer to the updated term "driver's license service centers."

**State or Federal Law Implemented:** Iowa Code section [321.190](#).

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

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 4317C (NOIA)**  
Updates rules related to tourist-oriented directional signing in Iowa.

**State or Federal Law Implemented:** Iowa Code section [321.252](#).

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

**LSA Response:** The LSA concurs.

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### Labor Division

**Rule Summary**     **ARC 4318C (NOIA)**  
Increases Iowa's penalties for occupational safety and health violations by 2.5% to match the federal penalties, and adopts by reference a recent change rescinding a federal requirement for larger employers to make electronic reports of injuries and illnesses.



## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

9

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**State or Federal Law Implemented:** Iowa Code chapter 88.

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

**LSA Response:** The LSA concurs in part. A minimal increase in General Fund revenue is expected due to the fee increase.

**Rule Summary**      Conforms rules related to crane operator training to the federal Occupational Safety and Health Administration standards . **ARC 4320C (AF)**

**State or Federal Law Implemented:** Iowa Code chapter 88.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Adopts by reference four boiler and pressure vessel code cases of the American Society of Mechanical Engineers (ASME). An ASME code is the standard that regulates the design, development, and construction of boilers and pressure vessels utilized in a variety of industries. The Boiler and Pressure Vessel Code Committee meets regularly to consider proposed additions and revisions to the Code and to formulate cases to clarify the intent of existing requirements or provide, when the need is urgent, rules for material or constructions not covered by existing Code rules. **ARC 4303C (AF)**

**State or Federal Law Implemented:** Iowa Code section 89.14.

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

**LSA Response:** The LSA concurs.

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### Workers' Compensation Division

**Rule Summary**      Updates references to payroll tax withholdings for purposes of determining weekly workers' compensation payments. **ARC 4312C (NOIA)**

**State or Federal Law Implemented:** Iowa Code section 85.61.

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

**LSA Response:** The LSA concurs.

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### Department of Education

**Rule Summary**      Establishes a summer college credit program to be made available to eligible high school students in grades 9 through 12 during the summer months under the Future Ready Iowa initiative. Establishes a policy framework for these programs, including minimum components for a program; a department review process; a funding mechanism; and student, course, and institution eligibility criteria. **ARC 4293C (FEAN)**

**State or Federal Law Implemented:** 2017 Iowa Acts, ch. 172, section 50, as amended by 2018 Iowa Acts, ch. 1163, section 4.

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

10

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

**LSA Response:** The LSA concurs in part. While there is no additional fiscal impact to the State as a result of this rulemaking, 2018 Iowa Acts, chapter 1163, section 4, includes an FY 2019 General Fund appropriation of \$600,000 that will fund the new initiative.

### ARC 4294C (AF)

**Rule Summary**     Establishes that the State Board must adopt rules requiring school districts to adopt protocols for suicide prevention and postvention and the identification of adverse childhood experiences and strategies to mitigate toxic stress response.

**State or Federal Law Implemented:** Iowa Code chapter 279 and 2018 Iowa Acts, SF 2113 (Suicide Prevention Training Act).

**Fiscal Impact**     **Agency Response:** No fiscal impact. The AEA is providing free training.

**LSA Response:** The LSA concurs. The costs will be determined by the individual districts, based on decisions regarding training resources and the use of school time or noncontract time to provide the training.

### ARC 4295C (AF)

**Rule Summary**     Removes the statewide cap on students enrolled in online schools, rearranges substantive requirements, and adds a requirement that the director of the Department maintain a list of private providers that meet the standards. Providers desiring to be added to the list are to apply to the Department as required. Iowa Learning Online is expanded to allow participation of students who receive private instruction. School districts are permitted to provide coursework primarily online to open enrolled students.

**State or Federal Law Implemented:** Iowa Code sections 256.7(32), 256.41, 256.42, and 256.43; 2018 Iowa Acts, SF 475 (Education Omnibus Act), 2018 Iowa Acts, SF 2131 (Iowa Learning Online Act), and 2018 Iowa Acts, SF 2415 (Education Appropriations Act).

**Fiscal Impact**     **Agency Response:** Fiscal impact cannot be determined. The fiscal impact of this rulemaking depends on which districts take advantage of the new opportunities to offer online learning. This is an option, but not required of districts.

**LSA Response:** The LSA concurs. School districts could experience additional costs depending on the choices that they make in implementing online education.

### ARC 4296C (AF)

**Rule Summary**     Allows individual pupils who participate in open enrollment to online education to participate in up to two cocurricular or extracurricular activities at their resident district. The changes allow districts to deduct up to \$200 per activity off of the open enrollment tuition out.

**State or Federal Law Implemented:** Iowa Code section 282.18.

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

**LSA Response:** The LSA concurs. The number of students open-enrolling and who may choose to return to their resident districts for the purpose of cocurricular or extracurricular activities cannot be estimated at this time. No fiscal impact is expected.

### ARC 4297C (AF)

**Rule Summary**     Adds an additional job classification to the shared operational functions eligible for supplementary weighting and extends the eligibility period. Changes district eligibility for

additional weighting under concurrent enrollment for certain career and technical education courses.

**State or Federal Law Implemented:** HF 633 (School District Supplementary Weighting — Shared Operational Functions Act) and SF 475 (Regulation of Primary and Secondary Education — Miscellaneous Changes Act).

**Fiscal Impact** **Agency Response:** Fiscal impact cannot be determined. This may impact jobs that have shared functions and it may impact local districts' budgets.

**LSA Response:** The LSA concurs in part. The legislation the rulemaking implements (HF 633) may increase State School Aid from the General Fund by \$1.0 million in FY 2020.

In FY 2019, 232 school districts are participating in operational sharing of certain job classifications with other school districts or area education agencies. Under previous law, 139 of the 232 districts would have been ineligible for operational sharing in FY 2020, reducing State aid by an estimated \$12.3 million.

Under current law, with the extension of the operational sharing provision and the inclusion of social workers as an allowable shared operational function, it is estimated that weighting for operational sharing may increase by 5.0%, increasing State aid by \$1.0 million. For more information, see the Fiscal Note for HF 633.

Additional legislation the rulemaking implements (SF 475) may further increase State School Aid from the General Fund by between \$118,000 and \$183,000 by generating additional supplementary weighting for concurrent enrollment classes for school districts with less than 600 students enrolled. For more information, see the Fiscal Note for SF 475.

## ARC 4298C (AF)

**Rule Summary** Implements changes to how categorical funding for Iowa school districts can be expended, including but not limited to:

- Allowable school district use of materials purchased for a home school assistance program.
- Allowable uses of at-risk, returning dropout, early intervention, dropout prevention, and child care funds.
- Changes regarding applications to the School Budget Review Committee for a modified supplemental amount (MSA) for at-risk, returning dropout, and dropout prevention programs.
- Allowing a school district to establish an unpaid meals account in its school nutrition fund.
- Addressing textbook purchases for nonpublic schools that cease operating.

**State or Federal Law Implemented:** Iowa Code sections 257.41, 297.22, 298A.8, and 298A.12; and HF 2441 (Regulation of Primary and Secondary Education and School District Funding Act) and HF 2467 (School Meal Debt and School Meal Programs Act).

**Fiscal Impact** **Agency Response:** Fiscal impact is unknown.

**LSA Response:** The LSA concurs. Although there is no expected fiscal impact to the State, per the Fiscal Note for HF 2467, local school food authorities may have some increase in ongoing staff costs. Additionally, per the Fiscal Note for HF 2441, some school districts may generate a different amount of MSA for at-risk and dropout prevention programs; however, the impact on property taxes cannot be determined at this time.

# Administrative Rules — Fiscal Impact Summaries

March 8, 2019

12

## ARC 4276C (NOIA)

**Rule Summary** Submitted for recognition of receiving an amended petition for rulemaking. That petition seeks revisions to Iowa Administrative Code chapter 281—103, the Department’s administrative rules on corporal punishment, physical restraint, and physical confinement and detention. The amended petition was received after several meetings between the petitioners, other interested parties, and key Department staff regarding the content of the original petition. After reviewing the proposed rule, the Department recommended the rule be submitted to the State Board of Education for Notice of Intent to amend the current rule to allow all interested parties an opportunity for public comment.

**State or Federal Law Implemented:** Iowa Code sections 256B.3 and 280.21.

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

**LSA Response:** The LSA concurs. There is no fiscal impact resulting from allowing public comment. However, there may be potential impact dependent on future changes in the rules and the requirements for modifications by school districts.

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## Department of Revenue

### ARC 4309C (AF)

**Rule Summary** Amends existing rules in order to implement 2017 Iowa Acts, SF 500 (E911 Consolidation Act). The Act changed the terms “Enhanced 911” and “E911” to reflect the merging of E911 and Next Generation 911 services.

**State or Federal Law Implemented:** 2017 Iowa Acts, SF 500.

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

**LSA Response:** The LSA concurs.

### ARC 4323C (AF)

**Rule Summary** Amends rules on local option sales tax to remove repetitive language, reference definitions in the Iowa Code, update calculations, and incorporate changes made in 2018 Iowa Acts, ch. 1161 (Income and Sales Tax Modification Act). Strikes language that will be moved to a chapter on sourcing (ARC 4324C).

**State or Federal Law Implemented:** Iowa Code chapter 423B and 2018 Iowa Acts, ch. 1161.

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

**LSA Response:** The LSA concurs.

### ARC 4324C (AF)

**Rule Summary** Updates the chapter on the sourcing of taxable services. Incorporates the sourcing of tangible personal property and specified digital products pursuant to changes to the Iowa Code implemented by 2018 Iowa Acts, ch. 1161 (Income and Sales Tax Modification Act). Adopts rules relating to sourcing that were previously published in a chapter relating to local option sales tax.

**State or Federal Law Implemented:** Iowa Code section 423.15 and 2018 Iowa Acts, ch. 1161.

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

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

13

**LSA Response:** The LSA concurs.

### **ARC 4322C (AF)**

**Rule Summary** Implements Division VII of 2017 Iowa Acts, ch. 170 (FY 2018 Standing Appropriations Act) that imposes sales and use tax on all delivery sales of alternative nicotine products or vapor products into Iowa and requires sellers of those products into the State to obtain a permit from the Department.

**State or Federal Law Implemented:** Iowa Code sections 453A.47A, 453A.47B, and 453A.47C, and 2017 Iowa Acts, ch. 170.

**Fiscal Impact** **Agency Response:** The NOBA (Notes on Bills and Amendments) associated with the FY 2018 Standing Appropriations Act estimated an increase in sales and use tax revenue of:

- \$0.9 million for FY 2018.
- \$1.1 million for FY 2019.
- \$1.4 million for FY 2020.
- \$1.7 million for FY 2021.
- \$2.1 million for FY 2022.

**LSA Response:** The LSA concurs.

### **ARC 4310C (AF)**

**Rule Summary** Amends inheritance tax rules in compliance with changes made in 2018 Iowa Acts, SF 2303 (Deferred Estate Act). Prior to July 1, 2018, estates containing personal property, real property, or a mix of both required a bond instrument to secure payment of deferred inheritance tax. The 2018 Legislature amended Iowa Code section 450.48 to add other options in lieu of a bond for securing deferred inheritance tax payments.

**State or Federal Law Implemented:** 2018 Iowa Acts, SF 2303.

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

**LSA Response:** The LSA concurs.

### **ARC 4311C (AF)**

**Rule Summary** Permits a city to be reimbursed from funds advanced internally from available sources for the costs of approved flood mitigation projects incurred after the projects' approval.

**State or Federal Law Implemented:** Iowa Code section 418.13 and 2018 Iowa Acts, ch. 1124 (Flood Mitigation Program Act).

**Fiscal Impact** **Agency Response:** No fiscal impact. The Fiscal Note estimated no impact to the General Fund and noted that the change could have a positive fiscal impact for local governments.

**LSA Response:** The LSA concurs.

### **ARC 4316C (NOIA)**

**Rule Summary** Removes photography and retouching services from the category of services treated as tangible personal property, and moves the services to the list of taxable enumerated services pursuant to 2018 Iowa Acts, chapter 1161 (Income and Sales Tax Modification Act), sections 169 and 170. Makes technical corrections.

**State or Federal Law Implemented:** Iowa Code section 423.2.

**Fiscal Impact** **Agency Response:** No fiscal impact. This specific rule making resulting from legislation associated with 2018 Iowa Acts, chapter 1161, does not have a fiscal impact;

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

14

however, other sections of the legislation do. Please see the associated Fiscal Note for additional information.

**LSA Response:** The LSA concurs.

### **ARC 4292C (NOIA)**

**Rule Summary** Implements sales tax collection requirements imposed on marketplace facilitators and remote sellers pursuant to 2018 Iowa Acts, chapter 1161 (Income and Sales Tax Modification Act).

**State or Federal Law Implemented:** Iowa Code section 423.14A and 2018 Iowa Acts, ch. 1161.

**Fiscal Impact** **Agency Response:** It is estimated that collection of taxes on sales by “online sellers” and “online marketplaces” would increase General Fund revenues by \$27.6 million in Fiscal Year (FY) 2019, \$66.4 million in FY 2020, \$69.3 million in FY 2021, \$71.7 million in FY 2022, \$74.2 million in FY 2023, and \$76.5 million in FY 2024. For additional information, please see the associated Fiscal Note.

**LSA Response:** The LSA concurs.

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## Board of Nursing

### **ARC 4286C (NOIA)**

**Rule Summary** Revises and makes general updates to existing rules regarding Licensure to Practice.

**State or Federal Law Implemented:** Iowa Code section 147.3.

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

**LSA Response:** The LSA concurs.

### **ARC 4308C (AF)**

**Rule Summary** Rescinds and replaces the chapter on Advanced Registered Nurse Practitioners (ARNP). Includes language to implement 2018 Iowa Acts, chapter 1138 (Opioid Regulation Act), relating to opioid prescribing, discipline, and continuing education.

**State or Federal Law Implemented:** Iowa Code chapter 152E.

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

**LSA Response:** The LSA concurs.

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## Department of Commerce/Insurance Division

### **ARC 4282C (NOIA)**

**Rule Summary** Includes new requirements for Medicare Supplement policies offered and issued on or after January 1, 2020, based on the model regulation to implement the National Association for Insurance Commissioners' Medicare Supplement Insurance Minimum Standards Model Act of 2017.

**State or Federal Law Implemented:** Iowa Code chapter 514D.

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

## Administrative Rules — Fiscal Impact Summaries

March 8, 2019

15

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**LSA Response:** The LSA concurs.

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### Board of Educational Examiners

#### **ARC 4302C (AF)**

**Rule Summary** Clarifies the section of the Board's Code of Professional Conduct and Ethics pertaining to violation of contractual obligations to eliminate sanctions for a practitioner who provides notice requesting release from a contract prior to, in the vast majority of cases, June 30. Also removes sanctions for an administrator who hires a practitioner who is under contract at another district or accredited nonpublic school, as long as that practitioner provided the required notice on the timeline referenced above.

**State or Federal Law Implemented:** Iowa Code section 272.2(1).

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

**LSA Response:** The LSA concurs.

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### Iowa Finance Authority

#### **ARC 4319C (AF)**

**Rule Summary** Updates the Authority's address to 1963 Bell Avenue, Suite 200, Des Moines, Iowa, throughout the Authority's administrative rules.

**State or Federal Law Implemented:** Iowa Code section 16.5.

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

**LSA Response:** The LSA concurs.

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### Department of Workforce Development

#### **ARC 4301C (AF)**

**Rule Summary** Updates eligibility criteria for a waiver of work search requirements related to unemployment claims for claimants attending approved training programs. Lists the expectations that must be met for a claimant to be approved for the program. The claimant is required to attend the program in person and will still be required to be available for work or actively seeking work if the hours of the training are outside the regular hours worked in the base period employment.

**State or Federal Law Implemented:** Iowa Code section 96.11.

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

**LSA Response:** The LSA concurs.

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