



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

November 10, 2020

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**).

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Department of Human Services

ARC 5230C (NOIA)

Rule Summary Implements House File 731 (Mandatory Reports, Department of Human Services Act), which makes various changes to mandatory child abuse and dependent adult abuse reporter training.

State or Federal Law Implemented: Iowa Code chapter 232.

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

LSA Response: The LSA concurs in part. While the rulemaking itself does not have a fiscal impact, the mandatory child abuse training now being provided for free by Department of Human Services (DHS) had previously been provided by area education agencies (AEAs) through AEA Learning Online for a fee. The AEAs, by no longer being a provider of the training, have estimated \$300,000 in lost fee revenue.

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Real Estate Appraiser Examining Board

ARC 5237C (AF)

Rule Summary Implements changes based on a full review of the Real Estate Appraiser Examining Board's rules. These changes include a reduction in license renewal fees.

State or Federal Law Implemented: Iowa Code chapter 543D.

Fiscal Impact **Agency Response:** There are approximately 1,138 certified appraisers in Iowa who currently pay \$390 to renew their license every two years. Reducing certified appraisal license renewal fees to \$280 from the current \$390 fee will reduce funds to the Board and Iowa Division of Banking by \$125,180 every two years. In addition, there are 82 associate appraisers who will pay reduced license renewal fees, resulting in \$12,300 of lost revenue every two years. There are some additional fee changes being

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implemented; however, they will not have a significant fiscal impact. The average amount in fees collected by the Board for the past two years is approximately \$276,000.

LSA Response: The LSA concurs.

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Iowa Finance Authority

ARC 5219C (NOIA)

Rule Summary Adds the renovation of buildings to be used as emergency shelter for homeless families and individuals as a permissible use of funding under the Emergency Solutions Grant Program (ESG). Also specifies that the funding may be used for emergency shelters.

State or Federal Law Implemented: Iowa Code section 16.5.

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

LSA Response: The LSA concurs in part. While the amendments to the rules do not have a fiscal impact, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748) includes funding for the ESG. Iowa's cost share is approximately \$20.9 million.

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Department of Education

ARC 5207C (NOIA)

Rule Summary Establishes computer science instruction educational standards by adding computer science to the general accreditation standards. Requires school districts and accredited nonpublic schools to develop and implement a K-12 computer science plan by July 1, 2022.

State or Federal Law Implemented: 2020 Iowa Acts, House File 2629 (Future Ready Iowa Act).

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

LSA Response: The LSA concurs in part. Although the rulemaking does not have a fiscal impact to the Department of Education, the fiscal impact to school districts and accredited nonpublic schools cannot be determined. It is unknown how many school districts will choose to use current staff or incorporate computer science into current instruction or use an online course offering. School districts may have costs for additional staff, training and professional development of current staff, and curriculum. Some of the cost may be offset by the \$4.0 million Microsoft class-action lawsuit proceeds or by funds in the Computer Science Professional Development Incentive Fund.

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Department of Commerce/Alcoholic Beverages Division

ARC 5220C (NOIA) & ARC 5221C (AFE)

Rule Summary Establishes how a container other than the original container shall be filled with a mixed drink or cocktail, be properly sealed so as to not be considered an open container and be sold by Class C native distilled spirits liquor control licensees.

State or Federal Law Implemented: Iowa Code sections 123.30, 123.43A, and 123.49.

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Fiscal Impact **Agency Response:** According to the Iowa Department of Transportation, approximately \$12.2 million in federal funds appropriated to Iowa under the Fixing America's Surface Transportation (FAST) Act could be jeopardized if Iowa is found to be noncompliant with the federal open container requirements found in 23 U.S.C. §154. However, the rulemaking, as written, precisely describes the sealing methods to be used when mixed drinks and cocktails are sold to-go so that the sealed containers are not considered open containers. Vaguely written descriptions or undefined sealing methods increase the potential for Iowa to be found noncompliant with 23 U.S.C. §154. The fiscal impact of this rulemaking to class "C" and class "C" native distilled spirits liquor licensees is indeterminable.

LSA Response: The LSA concurs. The Division issued five Class C native distilled spirits liquor licenses in FY 2019 and collected approximately \$2,000 in license fees for this license type.

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College Student Aid Commission

Rule Summary Implements the new Rural Veterinarian Loan Repayment Program enacted in 2020 Iowa Acts, Senate File 2398 (Rural Veterinarian Loan Repayment Program Act). **ARC 5224C (AF)**

State or Federal Law Implemented: Iowa Code chapter 261.

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

LSA Response: The LSA concurs in part. The rulemaking itself does not have a fiscal impact, although the creation of the Program in SF 2398 did. House File 2643 (FY 2020 Omnibus Appropriations Act) appropriated \$300,000 from the General Fund for purposes of the new Program, which will fund a total of five FY 2021 awards.

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