



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

March 8, 2013

Section 17A.4(4) *Iowa Code* 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 http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm

Table of Contents			
Agency	Page	Agency	Page
Economic Development Authority	1	Transportation Department	8
Department of Inspections and Appeals - Special Review	2	Agricultural Development Authority	8
Iowa Public Employees' Retirement System	2	Educational Examiners Board	8
Public Health Department	3	Engineering and Land Surveying Examining Board	9
Racing and Gaming Commission	4	Homeland Security and Emergency Management Division	9
Department of Human Services	5	Inspections and Appeals Department	10
Environmental Protection Commission	7	Labor Services Division	10
Secretary of State	7	Pharmacy Board	11

*Agencies with a blue border have one or more rules with a significant fiscal impact.

Economic Development Authority

ARC 0612C

Rule Summary Updates existing rules for the Capital Costs component of the Accelerated Career Education (ACE) Program pursuant to SF 2212 (Economic Development Authority Policy Act). Changes include the repeal of the competitive application requirement for the Capital Costs component, the allocation of Capital Costs appropriations, the administration of the component, and technical corrections.

Fiscal Impact No fiscal impact.

ARC 0613C

Rule Summary Increases the amount of Endow Iowa tax credits available and correspondingly increases the amount of tax credits available to individual taxpayers.

Fiscal Impact Minimal fiscal impact. Tax credit cap is increased by \$91,000 compared to calendar year 2011.

ARC 0611C

Rule Summary Implements changes to the IEDA's existing Innovation and Commercialization Programs required by HF 2473 (Economic Development Funds Act) and SF 2212 (Economic Development Policy Act). Eliminates the following:

- Information Technology Joint Venture Fund
- Information Technology Training Program
- Community College Equipment and Training Fund
- Targeted Industries Networking Fund
- Targeted Industries Student Competition Fund
- Supply Chain Development Program
- Management and Talent Recruitment Program

Changes include the creation of:

Administrative Rules – Fiscal Impact Summaries

March 5, 2013

2

- Entrepreneur Investment Award Program
- Small Business Innovation Research and Technology Transfer Outreach Program
- Acceleration and Development of Innovative Ideas and Businesses

Implements transitional provisions for programs that will be phased out when existing contracts are closed out.

Fiscal Impact Minimal fiscal impact. Possible administrative savings and efficiencies through termination and consolidation of programs.

STAFF CONTACT: Kenneth Ohms (Ext. 5-2200)

Department of Inspections and Appeals– Special Review

ARC 0484C

Rule Summary Creates new requirements and procedures to conduct tuberculosis (TB) screenings for health care workers in licensed hospitals and health care workers and residents of health care facilities. Addresses the screening process, risk classifications, and who may conduct TB screenings. Technical changes are made to update related chapters. The proposed language provides uniformity in the requirements and procedures to conduct TB screening. This rule was filed on October 3, 2012, as ARC 0353C and has not been changed.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Iowa Public Employees' Retirement System

ARC 0598C

Rule Summary IPERS proposes the following changes:

- Implements new contribution rates for regular and special service members beginning July 1, 2013.
- Clarifies when IPERS coverage ends for employees that are employed in two IPERS-covered positions at the same time.
- Corrects a date in a subrule regarding bona fide retirement of licensed health care professionals as amended in 2012 Iowa Acts, HF 2465, section 21, to implement prior legislative changes in 2010 Iowa Acts, HF 2518, Section 19.
- Clarifies IPERS benefit calculation for members vested by age and not service, and for members age 70 and older receiving an in-service benefit.
- Corrects an error in terminology in a subrule regarding fast-track review of a disability application.
- Clarifies the timeframe to review disability applicant files.
- Establishes rules for payments to members and beneficiaries of the Favorable Experience Dividend (FED) account balance when the account balance is not sufficiently funded.
- Updates several rules regarding IPERS' administration of Domestic Relations Orders

Fiscal Impact **Regular Membership** - The contribution rate for regular membership for July 1, 2013, through June 30, 2014, is 5.95% for the members and 8.93% for the employers for a total contribution rate of 14.88%. This is an increase of 0.43% compared to the previous year's 14.45% contribution rate. The member's contribution rate will increase 0.17% and the employer's contribution rate will increase 0.26%. This is an increase compared to the previous year of approximately \$29.0 million in total. For the regular class member group, contribution amounts are split 60/40 between employers and members.

Sheriffs and Deputies - The contribution rate for the Sheriffs and Deputies membership for July 1, 2013, through June 30, 2014, is 9.88% for both the member and the employer for a total rate of 19.76%. This is a decrease compared to the previous year when the total rate was 19.80% and each group's contribution was 9.90%. This is a savings (decrease) of approximately \$40,000 in total. For the sheriffs and deputies member group, contribution amounts are split 50/50 between employers and members.

Protection Occupation - The contribution rate for the Protection Occupations membership for July 1, 2013, through June 30, 2014, is 6.76% for the members and 10.14% for the employers. This is a decrease compared to the previous year when the total rate was 17.11% with a members' rate of 6.84% and an employer's rate of 10.27%. This is a savings (decrease) of approximately \$700,000 in total. For the protection occupation group, contribution amounts are split 60/40 between employers and members.

Favorable Experience Dividend (FED) - The FED Reserve Account had a balance of \$218.8 million as of June 30, 2012. The average amount distributed in FY 2012 was \$1,198. The median amount was \$785. The maximum amount was \$10,289. The January 2013 payment was \$113.3 million and was distributed to 87,931 retirees. The estimated remaining balance in the FED Reserve Account is \$118.0 million. The FED payment is estimated to end after the January 2014 payment due to insufficient funds for the January 2015 payment. Any money remaining will be deposited in the IPERS Trust Fund. As of June 30, 2012, the IPERS Trust Fund had a balance of approximately \$23.2 billion and the funded ratio of the IPERS Retirement System was 79.9%.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Department of Public Health

Rule Summary Replaces the immunization requirements table to add a vaccination for tetanus, diphtheria, and pertussis (Tdap) vaccine for students in secondary school. **ARC 0586C**

Fiscal Impact No fiscal impact.

Rule Summary Removes language that requires posting the permit to prevent public access to last names of permit holders, but still requires permits to be available at the facility and clarifies further permit guidelines. Standardizes the continuing education requirements for radiologist assistants, podiatric x-ray equipment operators, diagnostic technologists, and radiation therapists. Further, the Department will no longer approve continuing education credit hours. All credit hours must be approved by other approval bodies accepted by the department to streamline the permit process and allow more options for continuing education. **ARC 0577C**

Fiscal Impact No fiscal impact.

ARC 0578C

Rule Summary Describes the division of Acute Disease Prevention and Emergency Response, Center for Disaster Operations and Response and establishes, registers, and approves public health response teams, to supplement and support disrupted or overburdened local medical and public health personnel, hospitals, and resources in the event of a disaster or threatened disaster or other incident as defined in Iowa Code section 135.143.

Fiscal Impact No fiscal impact.

ARC 0483C

Rule Summary Creates new Chapters 95 to 100 as the result of reorganizing vital records currently contained in Chapters 95 and 96. Rescinds Chapters 98 to 107. The new Chapters also include some new and updated information.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Racing and Gaming Commission

ARC 0604C

Rule Summary Provides the following:

1. Items 1 - 10 change the Racing and Gaming Commission's address.
2. Item 11 specifies the standard of review for appeals of certain Steward decisions.
3. Item 12 establishes a shelf application for a licensee's debt.
4. Item 13 replaces Chapter 8 (Wagering and Simulcasting) with language to treat pari-mutuel wagers and calculations similar to casino gambling games and requires pari-mutuel wagers and calculations to be made available to the public upon request at a designated location.
5. Item 14 rescinds Chapter 9 (Harness Racing).
6. Item 15 removes the requirement for the appointment of a Clerk of the Course as a racing official.
7. Item 16 specifies the standard of review for appeals of certain Steward decisions.
8. Item 17 specifies the standard of review for appeals of certain Steward decisions.
9. Item 18 establishes requirement for trainers to ensure their employees are properly licensed by the Commission.
10. Item 19 clarifies that approved gambling games of chance are to be conducted on the gaming floor.
11. Item 20 allows for a multi-state area progressive slot machine system subject to agreement between participating states.

Fiscal Impact No fiscal impact for 1 - 10 above. Information is not available to determine if number 11 above will have a fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Department of Human Services

		ARC 0583C
Rule Summary	Adds language to assure that Managed Care Organization (MCO) network providers seeking a state fair hearing on behalf of a Medicaid member have involved the member and have that member's specific consent to pursue a state fair hearing.	
Fiscal Impact	No fiscal impact.	
		ARC 0573C
Rule Summary	Sets standards and makes recommendations regarding the Mental Health and Disability Services Redesign Transition Fund, including: <ul style="list-style-type: none">• Definitions and eligibility requirements.• Application guidelines concerning financial need and sustainability plan.• Guidelines for the Department for receiving, analyzing, and reporting of transition applications as relating to the transition funds.• Establishment of guidelines related to the allocation of transition funds.	
Fiscal Impact	The fiscal impact of this rule cannot be determined. No funds have been appropriated to the Transition Fund. The Department recommended \$1.4 million in funding, the Governor recommended \$3.8 million in funding, and the Legislative Mental Health Interim recommended up to \$20.0 million in funding.	
		ARC 0575C and 0576C
Rule Summary	Establishes criteria for exempting counties from joining into regions to administer mental health and disability services. The Department of Human Services is charged with implementing redesign of the mental health and disability services system into a regionally-administered, locally-delivered service system. The authority to accept applications for an exemption is repealed effective July 1, 2013.	
Fiscal Impact	No fiscal impact.	
		ARC 0579C
Rule Summary	Makes the following changes: <ul style="list-style-type: none">• Amends the Medicaid for Employed People with Disabilities (MEPD) program rules to provide that Social Security cost-of-living adjustments will be counted only in eligibility and premium determinations based on subsequently published poverty levels.• Eliminates a cross reference to the Promise Jobs administrative rules. The Promise Jobs rules were revised several years ago and the cross-referenced section no longer exists. The rule will be revised to state the conditions under which the needs of an adult who is temporarily out of the home can be included in the eligible group for purpose of medical assistance for families with children, as previously provided in the Promise Jobs rule.	
Fiscal Impact	Minimal fiscal impact.	
		ARC 0615C
Rule Summary	Changes the name of the Home and Community-Based Services (HCBS) III and Handicapped Waiver to the Health and Disability Waiver. The Health and Disability Waiver is being amended to allow targeted case managers as well as service workers to manage this waiver. The word consumer has been changed to member.	
Fiscal Impact	Minimal fiscal impact.	

Administrative Rules – Fiscal Impact Summaries

March 5, 2013

6

Rule Summary	Addresses the new federal requirements from the Affordable Care Act that all providers must be screened according to the provider type's risk for fraud, waste, or abuse and are enrolled as a Medicaid provider to be eligible for Medicaid payments.	ARC 0580C
Fiscal Impact	The new screening and enrollment requirements are estimated to cost the General Fund \$112,000 in FY 2013 and FY 2014.	

Rule Summary	Makes the following changes: <ul style="list-style-type: none">• Converts billing codes used to bill waiver services to the Iowa Medicaid Enterprise from atypical state created codes to nationally recognized codes.• Makes changes and clarifications related to the standardization of service definitions for the waivers.• Removes the exclusion of case management and targeted case management under general service standards for each waiver.	ARC 0589C
Fiscal Impact	Minimal fiscal impact.	

Rule Summary	Makes the following changes to Home-Based Habilitation: <ul style="list-style-type: none">• Increases the rate cap for daily Home-Based Habilitation from \$105.97 to \$200.00.• Changes the Home-Based Habilitation daily unit definition from 14 hours to eight or more hours. A daily unit will be when eight or more hours of direct services are provided during a 24-hour period on average over the course of a calendar month.• Maintains the rate cap for hourly Home-Based Habilitation.• Limits the total daily cost for hourly Home-Based Habilitation services to no more than the rate cap set for daily Home-Based Habilitation.	ARC 0581C
Fiscal Impact	This change is estimated to save the General Fund \$402,000 in FY 2013 and \$845,000 in FY 2014.	

Rule Summary	Increases payments to primary care specialty physicians as required by the federal Health Care and Education Reconciliation Act of 2010 (HCERA). In particular, HCERA identifies the following specialty designations: family medicine, general internal medicine, and pediatric medicine. The payment requirement specifies that reimbursement must be at a rate not less than 100.0% of the payment under part B of Medicare and also specifies the types of services that fall under this requirement. The law also requires that these same changes also be made for Medicaid-managed care plans. Increased payments are only to be in effect for calendar years 2013 and 2014.	ARC 0584C and 0585C
Fiscal Impact	Minimal fiscal impact. The Affordable Care Act provides for 100.0% federal financial participation (FFP) for the difference between the July 1, 2009, Medicaid state plan rates and the appropriate 2013 and 2014 Medicare rates.	

Rule Summary	Changes the second portion of unit time and rate definition changes for HCBS waiver and habilitation services. An earlier package was submitted for the first portion of the HCBS services. Changes include:	ARC 0588C
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Administrative Rules – Fiscal Impact Summaries

March 5, 2013

7

- Changes needed to align reimbursement with new billing code definitions caused by atypical conversion. Old unit rates were mathematically adjusted to match the new unit rate (an hourly rate was divided by 4 to create a 15-minute rate, etc.).
- Increases the rate to equalize a service rate across programs for pre-vocational habilitation from \$9.91 to \$13.47 per hour.
- Changes respite basis of reimbursement from retrospectively limited prospective rate to fee schedule.
- This rules package is a companion to the rules package revising Chapter 78 waiver services descriptions.

Fiscal Impact Minimal fiscal impact.

ARC 0590C

Rule Summary Allows nursing facilities to collect additional payment above the Medicaid payment from residents and families that desire a private room.

Fiscal Impact No fiscal impact.

ARC 0582C

Rule Summary Changes terminology to “intellectual disability” and “intellectually disabled” rather than “mental retardation” or “mentally retarded.”

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611) and Estelle Montgomery (Ext. 16764)

Environmental Protection Commission

ARC 0594C

Rule Summary Creates Chapter 17 Compliance and Enforcement Procedures. Clarifies compliance and enforcement procedures available to the Department of Natural Resources (DNR) prior to enforcing administrative penalties. Procedures include informal meetings, letters of inquiry, letters of noncompliance, and notice of violation. Stipulates that the new chapter does not add or revoke appeal rights provided for in Iowa Code section 17A, an addition from the Notice of Intended Action.

The DNR provides detailed information on all actions related to environmental Administrative Orders on the “DNR Enforcement Actions” website. This includes current year and prior years dating back to 2007. This information is available at: <http://www.iowadnr.gov/InsideDNR/AboutDNR/EnforcementActions.aspx>.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Adam Broich (Ext. 18223)

Secretary of State

ARC 0616C

Rule Summary Strikes new rule 21.100 (39A, 47) pertaining to the procedure for complaints concerning voting. Replaces 28.5 (47, 48A) pertaining to the Secretary of State’s identification of, and communication with, possible noncitizens that may be registered to vote and extends the timeframe for registrants to respond to a notice from the Secretary of State. Clarifies the procedure that will be followed by the Secretary of State’s office when completing the match and communicating with registrants affected by the rule. Additional nonsubstantive changes have been made.

Fiscal Impact The fiscal impact will be postage (including return postage) and printing costs incurred by the Secretary of State when providing notifications to registrants or

Administrative Rules – Fiscal Impact Summaries

March 5, 2013

8

county commissioners of election, and the cost of accessing the federal Systematic Alien Verification Entitlement (SAVE) database or equivalent database. The State will pay a fee of \$0.50 each time SAVE is accessed. The cost for postage and supplies to address each individual is estimated to be a maximum of \$1.80. It is estimated that approximately 3,000 individuals will be addressed in the first year and fewer in each subsequent year. Expenditures are anticipated to be minimal and will be paid from the General Fund support budget.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Transportation Department

ARC 0591C

Rule Summary Amends rules pursuant to Iowa Code section 321.449 requiring the Department of Transportation (DOT) to adopt rules consistent with the Federal Motor Carrier Safety Regulations (FMCSR) related to commercial vehicles transporting goods subject to federal motor carrier safety regulations or hazardous materials subject to federal hazardous materials regulations.

Fiscal Impact No fiscal impact.

ARC 0592C

Rule Summary Amends rules to comply with Iowa Code section 321.210A. The DOT no longer has the authority to determine whether a person has the ability to pay a criminal penalty, fine, surcharge, or court costs before the Department suspends the person's license for failure to pay.

Fiscal Impact No fiscal impact.

STAFF CONTACT: David Heuton (Ext. 50509)

Agricultural Development Authority

ARC 0593C

Rule Summary Amends the definition of eligible applicant for the Beginning Farmer Loan Program and the Beginning Farmer Tax Credit Program. Sets a maximum allowable net worth of \$691,000 in 2013 for the Beginning Farmer Loan Program. Increases the 2013 maximum allowable net worth for the Beginning Farmer Tax Credit from \$343,000 to \$366,000. The maximum allowable net worth will be adjusted annually on January 1 to match inflation.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Adam Broich (Ext. 18223)

Educational Examiners Board

ARC 0606C

Rule Summary Removes first class mail as an option for delivery of notice of hearing.

Fiscal Impact No fiscal impact.

ARC 0614C

Rule Summary Allows international teachers to complete the requirements of the teacher intern course requirements while teaching in an international school.

Fiscal Impact No fiscal impact.

ARC 0605C

Rule Summary Addresses the issue of applicants that have completed a nontraditional teacher preparation program and have one or more years of teaching experience that apply for substitute or for full licensure. Currently, in many cases such applicants can only obtain a substitute authorization. This amendment allows an applicant in these circumstances to be issued a substitute license.

Fiscal Impact No fiscal impact.

ARC 0609C

Rule Summary Removes a reference to the conditional career and technical license that was eliminated in 2009 by the Board of Educational Examiners.

Fiscal Impact No fiscal impact.

ARC 0607C

Rule Summary Specifies an applicant must complete one year of administrative experience in order to convert an initial administrator license to a professional administrator license.

Fiscal Impact No fiscal impact.

ARC 0608C

Rule Summary Updates rule language regarding evaluator licensure requirements to align with the rules regarding administrator licensure requirements.

Fiscal Impact No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Engineering and Land Surveying Examining Board

ARC 0603C

Rule Summary Revises language to clarify qualifying experience required for engineering licensure.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Homeland Security and Emergency Management Division

ARC 0602C

Rule Summary Implements SF 2332 (Enhanced 911 Emergency Communications Act) enacted during the 2012 Legislative Session. This Act modified the E911 surcharge formula to eliminate wireless carrier cost recovery and increased the percentage of the surcharge administered to the Public Safety Answering Points (PSAPS) from 25.0% of the surcharge collected to 46.0% of the surcharge collected. This Act also broadened language related to the funding for the PSAPS permitting it to be used on other things besides just the equipment within the PSAPS. This Act also replaced the existing surcharge on prepaid wireless service with a new surcharge collected at the point of retail sale. The Act also placed a temporary moratorium on any new wireline surcharges over \$1.00 until task force recommendations have been submitted to the General Assembly or approximately until May 1, 2013.

Fiscal Impact The administrative rule does not increase or decrease the wireless surcharge rate so the net effect is \$0. However, it does redistribute the revenues collected. Senate File 2332 removed cost recovery from wireless carriers of approximately \$3.6 million annually and allowed those funds to flow to local E911 service boards. This

Administrative Rules – Fiscal Impact Summaries

March 5, 2013

10

increased the annual amount available to the PSAPS by \$3.6 million and permitted it to be used for more than just the equipment in the PSAPS.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Department of Inspections and Appeals

ARC 0601C
Rule Summary Strikes the terms “mental retardation” and “mentally retarded” in Chapter 22 (Health Care Facility Audits), Chapter 50 (Health Care Facilities Administration), Chapter 54 (Governor’s Award for Quality Care), Chapter 57 (Residential Care Facilities), Chapter 58 (Nursing Facilities), and Chapter 65 (Intermediate Care Facilities for Persons with Mental Illness (ICF/PMI)) and replaces them with the terms “intellectually disabled” and “intellectual disabilities” as appropriate.

Fiscal Impact No fiscal impact.

ARC 0600C
Rule Summary Strikes the terms “mental retardation” and “mentally retarded” in Chapter 63 (Residential Care Facilities for the Mentally Retarded) and replaces them with the terms “intellectually disabled” and “intellectual disabilities” as appropriate.

Fiscal Impact No fiscal impact.

ARC 0599C
Rule Summary Strikes the terms “mental retardation” and “mentally retarded” in Chapter 64 (Intermediate Care Facilities for the Mentally Retarded) and replaces them with the terms “intellectually disabled” and “intellectual disabilities” as appropriate.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Labor Services Division

ARC 0587C
Rule Summary Adopts by reference Occupational Safety and Health Administration standards for general industry and construction.

Fiscal Impact No fiscal impact.

ARC 0597C
Rule Summary Removes the requirement that if 50.0% of an elevator’s components are altered, the entire elevator must be brought into compliance with current codes (ASME A17.1 2010/CSA B44-07). The fees are adjusted to match the new elevator installation fee of \$500. Makes conforming changes.

Fiscal Impact Minimal fiscal impact. Based on historic alteration permit issuances, the Elevator Revolving Fund could see increased revenue of \$30,000 to \$40,000.

ARC 0574C
Rule Summary Adopts procedures for the Labor Commissioner to shut down a conveyance that is operating without a permit.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (Ext. 52200)

Board of Pharmacy

ARC 0595C

Rule Summary Requires all pharmacists to register with CPE Monitor, a service jointly developed, implemented, and maintained by the National Association of Boards of Pharmacy (NABP) and the American Council on Pharmaceutical Education (ACPE) for the purpose of recording and maintaining evidence of pharmacists' successful completion of ACPE-accredited provider continuing education activities. Included is an amendment to provide pharmacists with the option to complete and submit a continuing professional development (CPD) portfolio to fulfill the continuing education requirements for license renewal or license reactivation.

Fiscal Impact No fiscal impact.

ARC 0596C

Rule Summary Clarifies terms used to ensure uniformity of similar terms contained in other chapters. The amendments also change the format of references to rules throughout by adding the Board's agency identification number to the references.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)
